to the earnest, thoughtful sheriff there were a mildly hippieish young oceanographer, devoted to cutting-edge technology, and an oddball professional shark hunter, a steely Navy veteran of World War II, from back when America won wars, who relied on intuition, not technology, and harbored Ahab-like tendencies. They agreed about nothing, shared nothing but their rickety vessel (which broke down), distrusted each other and everything else—kind of like America these days. So how could they possibly pull together to vanquish the savage foe?

And then there was the nature of that foe: it was invisible, like dread. Then suddenly it crashed to the surface, savaging helpless innocents, unaware they even had had anything to fear—until the new fear was everywhere, consuming everything.

Which was how it felt to be an American now.

Savage new invisible dangers seemed to lurk around every corner. A new kind of air pollution, sulfur dioxide, a pungent, colorless gas produced by combustion of sulfur-laden fuel oils that combines easily with water vapor and oxygen to form sulfuric acid—"acid rain," supposed to be capable of corroding billboards and maybe even lungs. An official of the Texas Air Control Board said it was already so serious in Corpus Christi "that some hard decisions will have to be made about allowing any further industrial growth there at all." "Killer bees": "Millions of African killer bees with nasty tempers," as UPI described them on June 15, five days before *Jaws* opened, "immune to any kind of geographical or whatever barrier . . . capable of nesting almost anyway . . . headed relentlessly toward the United States." They were the product, allegedly, of a Brazilian beekeeper who in 1957 accidentally released a fierce apian strain brought from Africa, taking over Brazil's native population, science-fiction-style, producing an annual death toll there of three hundred. In an experiment published in *BioScience* magazine, a one-inch by one-inch patch of leather jiggled on a string outside a hive of the "Africanized" bees was stung ninety-two times in five seconds, then the bees "chased the heavily protected experimenter for more than a thousand yards." Then there was butadiene, a hazardous chemical regularly shipped by rail: "Once a car carrying butadiene is punctured, the least spark can cause it to ignite," *Texas Monthly* reported. "That means the railroad tracks had better be in tip-top shape. They aren't."

Dah-tum. Dah-tum. Dahtum dahtum dahtumdahtumdahtum . . .

SIMULTANEOUSLY THAT SUMMER CAME THE NEWS THAT A BELOVED SYMbol of America's long-ago innocence turned out to be not so innocent after all.

It was *Time*, in its June 2 issue, citing "credible sources," that first brought the news: that in 1961 John F. Kennedy and Robert F. Kennedy, enraged at the failure at the Bay of Pigs invasion, "covertly ordered agencies of the U.S. government to find some sure means of deposing Fidel Castro, Cuba's chief of state. Whether or not assassination attempts were authorized by the Kennedys is still unclear. . . . The CIA did work with two U.S. Mafia leaders, Sam 'Sam the Cigar' Giancana and John 'Handsome John' Roselli, in unsuccessful attempts to kill the Cuban leader." *Time* then drilled down to the scoop's strongest implication: "it tends to knock down the notion that the CIA was operating wildly beyond presidential control in scheming against foreign leaders." It also tended to knock down the notion—"There used to be a President who didn't lie, but he's dead!" as the kindergartner in Long Beach, California, told his teacher the previous year—that once upon a time, America was different; before, that is, sordid old Richard Nixon came along. "The Vanishing American Hero," as a *U.S. News & World Report* cover story put it that summer. *Texas Monthly* countered that fall with a corrective: "Heroes for Post-Watergate America."

Kennedy family retainers rushed into print to defend the dead men's honor. Historian and former Kennedy special assistant Arthur Schlesinger posted a letter to the *New York Times* on June 3 insisting such a thing simply was not possible: "Quite apart from all the other reasons, moral and prudential, that led John and Robert Kennedy to reject the idea of assassinating Castro, it must be remembered that both men were deeply concerned, almost obsessed, with the fate of the Bay of Pigs prisoners. Nothing would have doomed these prisoners more certainly than an American attempt to kill Castro." The next day, in the same paper, William Safire published a column, titled "Nixon Never Did," treating the accusation as settled fact, listing all the sins that rendered President Kennedy morally inferior to *his* former boss, Richard Nixon: "*Nixon never ordered the murder of a fellow chief of state. . . . Nixon never used the FBI and CIA to spy on political opponents. . . . Nixon never lied to the people about his health just before an election.*"

He concluded, "Of course we would know a great deal more about other things [Kennedy] did if Congress were to spend one-tenth the time and money investigating the previous Administrations that it expended on Nixon's. But that is not to be."

The White House panicked at the news. First, on June 6, Ron Nessen told the press that the Rockefeller Commission report, due the following week, would not discuss assassinations. One reporter, recalling promises of a complete and frank official reckoning, asked if Richard

Nixon had been advising the administration on how to conduct a successful cover-up. For an hour, reporters mercilessly grilled him—until Nessen slammed shut his briefing book and stormed out of the press room. "No Time for Cover-Up," read the *New York Times*' editorial headline: Watergate language. Nessen came to hate the media so much he considered another line of work—though he had himself been an NBC correspondent only ten months earlier. The attorney general found it necessary to assure the nation that "no President may order assassinations"—reassuring, to the suspicious circles, in the same way Richard Nixon assuring the nation he was not a crook was reassuring.

The Rockefeller Commission report dropped on June 10. The *Times* expressed partial satisfaction at the 350-page "trenchant, factual and plain-spoken document." It revealed that the CIA's campaign against domestic dissent, Operation CHAOS, opened files on more than three hundred thousand individuals and organizations, including Martin Luther King's Southern Christian Leadership Conference and the staid establishment Negroes of the Washington Urban League; concluded that the CIA had no role in instigating Watergate, and none in the assassination of President Kennedy—and buried deep within, made the eye-popping revelation that the CIA had tested LSD on people who weren't told of the tests, and that at least one person died in 1953 as a result. But it punted on passing judgment on the "incomplete and extremely sensitive" question of assassinations of foreign leaders. The president promised to pass the assassination files on to the Church Committee, which promised a month of closed-door hearings on the subject. And the reforms it suggested were timorous. The *Times* didn't expect much would come of them. The report also said the CIA had taken steps in 1973 and 1974 that "have gone far to terminate the activities upon which this investigation has focused."

But if the White House thought that would put the CIA story to rest, they were mistaken. Like the great white shark in *Jaws*, the stories kept on crashing to the surface, day after day after day.

Like the fact that the chairman of the House's intelligence inquiry, Lucien Nedzi of Michigan, had been briefed about the CIA's domestic spying, and the possibility it had been involved in assassinations, more than a year earlier and did and said nothing about it—a perfect emblem of precisely the congressional failure of oversight Nedzi's committee had been impaneled to investigate. Another fox guarding the henhouse.

Like the fact, as reported in *Time* the next week, that the *New York Times* had known of the assassination allegations for months but had chosen not to print them. And the news, on June 19, of the suspicious murder of Sam Giancana, the very mafioso reputed to have been the CIA's man in Havana. Five days later, *Time* reported in detail about the agency's bizarre Murder Inc. schemes there: "The medical section of the CIA produced some exotic pills and even 'fixed' a box of fine Havana cigars . . . the pills were turned over to the Mafia. The would-be assassin was to have been paid $150,000 if he succeeded; some earnest money, 'a few thousand dollars,' was turned over to him. Giancana and Roselli expected something more important than money: both were under investigation by the Department of Justice and hoped to escape prosecution." The next week, *Time* reported that in an interview, the man who had been the CIA's general counsel from its 1947 founding through 1973 and "a confidant of one director after another" said Robert F. Kennedy knew all about the plotting by the CIA and "didn't seem very perturbed." ("And what do you do for a living?" the musical political humorist Mark Russell asked, posing as a Church staffer, in his nightclub act, a few nights after Roselli's closed-door testimony. The answer: "I'm a notorious gangster and hit man." "And how long have you worked for the government?")

And then there was the fact that in 1953 a twenty-two-year-old Army biochemist named Frank Olson, an unwitting participant in a CIA study in which his drink was spiked with LSD, jumped out a window to his death. The president publicly invited his outraged family to the Oval Office and apologized for the "inexcusable and unforgivable" incident—perhaps to head off their plans to sue the government for wrongful death. Meanwhile two left-wing congressmen, Bob Kasten and Ron Dellums, claimed evidence of "years-long CIA penetration of the White House itself," without any president's having known. "Vicious nonsense," the CIA director responded—but these days, who knew?

An article by the *Times*' Tad Szulc in *New York* magazine, called "The Politics of Assassination," recorded suspicions that one of the things the Rockefeller Commission was actively covering up was a CIA plot to murder China's premier, Chou En-lai. It noted that the Rockefeller Commission members worked under such intense paranoia they weren't allowed to leave their shoes outside their hotel rooms to be shined lest recording devices be planted inside. Soon after, one of the Democratic heroes of the Judiciary Committee's Watergate investigation, William Hungate, announced he was retiring from Congress in disillusionment. He said "politics has gone from an age of 'Camelot' when all things were possible to the age of 'Watergate' when all things are suspect."

THE GIANCANA NEWS WAS REPORTED IN AN ISSUE OF *TIME* WHOSE COVER pointed a gun at the reader. It announced an article, at 9,237 words one of the longest investigations in the magazine's history, documenting a crime wave that was making American streets all but impassable: eleven murders in Atlanta within seventy-two hours, six by gunfire; a four-year-old stabbed to death by a teenager seeking the forty cents in his pocket, outside Detroit; statistics, staggering statistics, including a 20 percent increase in crime over the past twelve months in the supposedly safe suburbs and 21 percent in rural areas—on and on and on, for page after page. The next month Gallup asked city dwellers what they thought was America's worst problem. Only 5 percent cited inflation and 11 percent said unemployment, though both were at their highest levels since shortly after World War II. Twenty-one percent cited crime—and 75 percent of women said they were afraid to walk near their homes at night. New Justice Department statistics discovered that in 1973 one out of four households had endured a robbery, rape, assault, burglary, larceny, or auto theft—though who knew: Attorney General Edward Levi said a third of all crimes went unreported in official channels. A sociologist interviewed an old Jewish immigrant woman in Brooklyn. She said, "I am locked up like the ghettoes of Europe.... I am afraid of people knocking down my door. I am still not free."

Elected officials, too, were going to jail—including, most recently, a former governor of Oklahoma. The Associated Press reported the findings of two left-wing economists that a combination of multinational corporations' drive for profit maximization and an inability to control new ways of rocketing money around the world "could plunge the nation into a depression comparable to that of the 1930s." In Orangeburg, South Carolina, a faulty job rigging the explosives was the only thing that saved the county courthouse—and a church kindergarten next door—from going up in smithereens: apparently someone was protesting against civil rights activists who for their part had protested the police killing of a black youth. What madness couldn't be visited on America next?

Maybe the bankruptcy of the greatest American city, where middle-class civil servants were behaving like criminal anarchists.

The lurid images began in May, when hundreds of Hunter College students took over the office of the dean of students after Mayor Abe Beame proposed deep cuts in the school's budget. By June, eight thousand New York City municipal workers rallied on the narrow, twisting downtown streets outside the headquarters of First National City Bank, accusing the bank of complicity in planned austerity layoffs of thousands of their colleagues. Police threatened a wildcat strike, distributing WELCOME TO FEAR CITY pamphlets with a pirate-style death's head on the cover, advising tourists to stay indoors after dark, skip public transportation, and "until things change, stay away from New York if you possibly can." The feared-for layoffs arrived. On June 28, garbagemen, reacting to the firing of three thousand comrades, staged a one-day walkout. "Wait till the rats come!" they chanted. WELCOME TO STINK CITY, their pamphlets read.

On July 1, five hundred laid-off police officers stationed themselves in blockade formation before the Brooklyn Bridge, let air out of random cars' tires, threatened motorists, and threw cans and bottles at the uniformed fellow cops who were begging them to cease and desist. The next day highway workers blockaded the Henry Hudson Parkway during rush hour. By Independence Day, City Hall and other government buildings came under such frequent siege that cops kept up the crowd-control barriers on a permanent basis—"like part of the city's furniture," a historian wrote. It was summer; it was hot. So when garbage collection began slowing down with the layoffs, New Yorkers started throwing their trash out in the middle of the street, which some people turned into bonfires—right in time for Independence Day, when a journalist in Miami claimed he could convince only one person out of fifty he asked to sign the Declaration of Independence. "Commie junk," one called it. Another threatened to call the cops on him. A third said, "Be careful who you show that kind of anti-government stuff to, buddy." And: "The boss will have to read this before I can let you put it in the shop window. But, politically, I can tell you he don't lean that way. He's a Republican."

HERE WAS ANOTHER OF THOSE *PREDICTIONS FOR 1974:* A "DECLARATION of bankruptcy for New York City"—"the first tangible sign of the collapse of our entire civilization." A year later, that augury looked to be coming true, too.

The roots of the Great New York City Fiscal Crisis lay in recession: the economic downturn of 1974–75 hit the Northeast with a speed and force all out of proportion to the rest of the country. New York had always supported a program of middle-class entitlement unlike anything anywhere else, a sort of socialism in one city: subsidized housing and day-care centers; free college at the world-class City University of New York; free museum admission; nineteen municipal hospitals, many of them world-class; free directory assistance—amenities that seemed only natural for a metropolis transforming itself, in the boom years after

World War II, into the greatest city in the world. "I do not propose," Mayor Robert F. Wagner pronounced in his 1965 budget message, "to permit our fiscal problems to set the limits of our commitments to meet the essential needs of the cities." Neither, indeed, did the city's investment banks, which all but begged the city to keep borrowing money, because municipal bonds paid high interest rates; were exempt from federal, state, and municipal taxes; and seemed to entail negligible risk. It took two to tangle a city in unsustainable debt.

It worked, until it didn't. The city's manufacturing base had declined, and the unemployment rate, under 5 percent in 1970, now hovered above 12 percent. White middle-class New Yorkers, fearing crime, fled to the suburbs. Federal and state aid leveled off; expectations that Richard Nixon's national health insurance bills would relieve the city of its massive outlays for Medicaid came a cropper when Congress voted them down, first in 1971, then in 1974 (conservatives opposed them because they were too generous, liberals because they were not generous enough). Bills came due that this newly atrophied level of revenue simply could not cover: by the days of Nixon's resignation the city's debt was $11 billion, a third of that in short-term notes soon to come due, and more than 11 percent of the city's spending went to interest payments on the debt—to banks suddenly reconsidering their lending practices in a recession. Other tax shelters started looking more attractive to those banks. So did other customers—for instance the same resource-rich Third World nations that so irked Daniel Patrick Moynihan. Banks started asking for some of that loaned money back, and started charging more interest to let New York rent more. In September 1973 the *Wall Street Journal* had reported, "Our cities have by and large weathered their financial crises." Now the greatest city in the world was going broke. Like the energy crisis, this crisis seemed to come out of nowhere.

In December 1974 Mayor Beame made a pilgrimage to Washington, D.C., to meet with treasury secretary William Simon. Beame explained the actions he had already taken to correct the city's fiscal imbalances, including freezing most city hiring and merit pay increases; he then argued that, given that America's most international city had to pay higher interest rates than any municipality in the country, it would be in the national interest for the Treasury Department to loan New York the money it needed by buying its municipal paper directly.

The treasury secretary flipped.

"Mayor," he said, "if we did that the taxpayers would end up financing the campaign promises of every profligate local politician in the country."

There was something very disingenuous in the reaction. Bill Simon had formerly been senior partner in charge of government and municipal bonds at Salomon Brothers, and a member of the investment bank's seven-man executive committee—that is, one of the very people responsible for lending so much money to New York in the first place. In the late 1960s and early 1970s, Simon had even served on a debt advisory committee set up by Beame back when he had been New York's comptroller. If New York had been borrowing beyond its means, William Simon was one of the people personally responsible.

He would later complain that he had been gulled—that the city's "Byzantine accounts" and "tortuous accounting practices" had been willfully devised to forestall just the kind of fiscal reckoning he was now bravely insisting upon. He wrote, "Even the most sophisticated financiers and the Treasury Department itself were totally unprepared" for such disregard of "the basic legal and ethical pact between the city and its debtors." And surely, in City Hall, there was plenty of blame to go around. But other motives, other assumptions, lay beyond Bill Simon's recalcitrance as well. These were ideological.

As he wrote three years later in a book modestly titled *A Time for Truth*, which was published by Reader's Digest Press and which spent some twenty weeks on the bestseller list: "The philosophy that has ruled our nation for over forty years had emerged in large measure from that very city which was America's intellectual headquarters, and inevitably, it was carried to its fullest expression in that city. In the collapse of New York those who choose to understand it could see a terrifying dress rehearsal of the state that lies ahead for this country if it continues to be guided by the same philosophy of government. . . . Nothing has destroyed New York's finances but the liberal political formula. . . . Liberal politics, endlessly glorifying its own 'humanism,' has in fact been annihilating the very conditions for human survival."

He spoke for his class. As a staffer wrote in a memo proposing language for First National City Bank's president to use in discussion with the mayor, this crisis was an opportunity: "many things"—he cited higher subway fares, cutbacks in the city workforce, and budget cuts generally—"can be done even if they are not technically possible." Technically possible, he meant, if interest groups like the municipal unions, the board of education, or municipal hospital administrators were afforded their traditional political deference. Well, they had been deferred to long enough. "The time," the staffer insisted, "is now." Now it was the capitalists' turn to be deferred to. Investment bankers and the mayor's Council of Business and Economic Advisors should "work

in concert," he suggested, "to prepare a unified analysis which would clearly demonstrate the absolute inviability of the City if it continued on its present course."

Such language signified another front opening up in the right's political war: the corporate front. During the postwar boom, business had signed on as partners to the New Deal order, which seemed to be delivering an all but permanent broad-based American prosperity. They honored its core intellectual proposition, Keynesianism, which held that a key to building and sustaining prosperity was to harness the power of government to put money into ordinary consumers' pockets. More or less, they acceded to (or at were powerless to stop) the escalating pace of marketplace regulation—which reached its pinnacle under a president from the party of business, Richard Nixon. The *New Republic* called a tax bill he signed in 1969 "far and away the most 'anti-rich' tax reform proposal ever proposed by a Republican President in the 56 years of the existence of the income tax." Much of the new government revenue was spent on new regulatory agencies, like the Environmental Protection Agency, the Occupational Safety and Health Administration, the National Transportation Safety Board, the Consumer Product Safety Commission, and the Mine Safety and Health Administration (created by the most stringent federal mining legislation in U.S. history). In Washington, it felt like liberal lobbies were in the saddle: environmental groups like Friends of the Earth, the Natural Resources Defense Council, and Environmental Action; groups associated with the consumer advocate Ralph Nader; aggressive legal advocates like the Center for Law and Social Policy—with "brilliant young staff members who mistrust or totally disbelieve the attributes of the enterprise system," Barry Goldwater complained in 1974, but who now raced up Capitol Hill to testify before congressional committees and often as not tied up their business adversaries in knots.

It felt endurable when Keynesianism was working. Now, however, it was not. Rates of profit were declining. Labor was more militant than at any time since the 1946–47 strike wave. It was time, the men in their leather-backed chairs and wood-paneled conference rooms began reasoning, to fight back—to create a political opposition, red in tooth and claw, to fight back against liberalism on the national stage.

Lemuel Boulware of General Electric had been saying the same thing for years, of course, going so far as to organize political strategy retreats for executives in all sorts of fields in the late 1950s on Gasparilla Island, off the Florida coast. After the Arab oil shock of 1973–74, he had many more frightened allies. The Conference Board, the venerable publisher of economic indicators like the Consumer Confidence Index, held a series of conclaves through 1974 and 1975 on the social responsibility of business. Discussion soon turned to the question of the *survival* of business, and how "social responsibility" was sabotaging same. One executive worried, "One man, one vote has undermined the power of business in all capitalist countries since World War II." Another complained, "The have-nots are gaining steadily more political power to distribute the wealth downward."

In 1971, a corporate lawyer from Virginia (one of his clients was Philip Morris, and he was frustrated when Congress passed the Public Health Cigarette Smoking Act in 1970), chair of the education committee of the National Chamber of Commerce (whose budget doubled in size between 1974 and 1980), had written a widely circulated memo arguing that "the American economic system is under broad attack." It continued: business had to learn the lesson "that political power is necessary; that such power must be assiduously cultivated; and that when necessary it must be used aggressively and with determination." For instance, "The national television networks should be monitored in the same way that textbooks should be kept under constant surveillance. . . . Efforts should be made to see that the forum-type programs (the Today Show, Meet the Press, etc.) afford at least as much opportunity for supporters of the American system to participate as these programs do for those who attack it."

His memo insisted that advancing pro-free-market politics be "a primary responsibility of corporate management"—"far more than an increased emphasis on 'public relations' or 'government' affairs," but that corporations hire new executive vice presidents whose entire brief was countering "the attack on the enterprise system," with a "budget and staff adequate to the task." Corporate "public affairs" officers—lobbyists—had heretofore worked in Washington mostly to secure companies' advantages against their competitors. He was recommending something more radical: political action to assert the interests of corporate America as a class—a sort of union movement on behalf of capital. "Strength lies in organization, in careful long-range planning and implementation, in consistency of action over an indefinite period of years, in the scale of financing available only through joint effort, and in the political power available only through united action and national organizations." The lawyer, Lewis Powell, was soon appointed by Richard Nixon to the Supreme Court. And what he was recommending had already begun increasing apace. The National Association of Manufacturers had been aggressively lobbying against liberalism for decades,

but from New York; in 1972 the group (and its political arm, the Business Industry Political Action Committee, or BIPAC) moved house to Washington, D.C.—because, a spokesman said, "the thing that affects business most today is government."

Two of the most prominent activists in the effort were former Nixon administration officials. Bryce Harlow had been Nixon's appointment secretary, and one of his most trusted confidants—all while on leave from Procter & Gamble's first Washington lobbying shop, which he himself had established in 1961. Now back in harness at P&G, he drafted himself as field general for the kind of organizing Powell proposed. "The danger had suddenly escalated," he recalled, referring to the election of the Watergate Babies in 1974. "We had to prevent business from being rolled up and put in the trash can by that Congress." The other, Charls (*sic*) Walker, had been a Treasury Department undersecretary. In 1975 he took over a struggling organization that advocated for estate tax recipients and turned it into a turbocharged lobbying shop dedicated to the proposition that the American economy was foundering for a lack of "capital formation"—that business did not have enough money, largely because the government extracted too much from it in taxes, which were then distributed downward to Americans who were not capitalists, destroying the conditions for national prosperity. This argument was precisely the opposite of Keynesianism—but a proposition that proved attractive enough to several formerly Keynesian Fortune 500 corporations that they each contributed two hundred thousand dollars to soon turn Walker's "American Council for Capital Formation" into a Washington juggernaut.

These were the circles in which the present treasury secretary was traveling. And he had no intention of bailing out New York—*ever*. Neither did William Simon intend to let his boss bail out New York—*ever*. Instead, he intended to make an example of it. And what he saw happen next only confirmed him in his judgment.

In December 1974 Mayor Beame ordered large-scale layoffs and cutbacks in municipal employment—and then, following union protests, reversed them. A young lawyer at Bankers Trust reported his accidental discovery that the tax receipts legally required to secure a $260 million note the bank had planned to buy did not exist. In January 1975, the city's comptroller canceled a planned sale of municipal notes; in February, a second sale was canceled. Promptly, the city's Urban Development Corporation became the first major government agency in the United States to go into default since the 1930s. Two weeks later, on March 6, the city offered another note on the market—and didn't receive a single underwriting bid. By May, the city's debt was $12.3 billion, and the word had gone forth from the great investment banks that such debt was unmarketable at just about any interest rate; officials predicted the city would default by June. The mayor made another ill-fated trip to Washington, this time for an audience with the president, Governor Hugh Carey, and representatives from Chase Manhattan, First National City Bank, and Mortgage Guarantee Trust in tow. A federal loan guarantee, Ford told them, would "merely postpone the city's coming to grips with its fiscal problems through needed budget slashing." On May 29, Beame complied, announcing an austerity budget calling for the immediate elimination of more than 12 percent of all city employment—a four-day municipal workweek, reductions in CUNY admissions, and library and health center closures.

He immediately reaped the whirlwind: cops blocking the Brooklyn Bridge; garbageman pledging a pestilence of rats—and no more money forthcoming from banks.

Like the fall of Saigon, it all seemed so sudden. "What was 'sudden,'" thundered back Simon in his 1978 book, "was the traumatic discovery by the financial community that it was being rooked into a Ponzi game." At the time, he was hardly less decorous. "We're going to sell New York to the Shah of Iran," he said to reporters. "It's a hell of an investment."

His voice led a chorus of business conservatives emboldened by the imminent collapse of a great American city to mock the profligacies of an utterly failed liberalism. *Barron's* invoked the news from Cambodia: "All Abe Beame need do is adopt the Khmer solution. That is, order every man, woman, and child out of the city." Christian conservatives, too: "Maybe it would be good for America if New York would go bankrupt," *Christianity Today* opined. "The citizenry might learn some elementary lessons of economics that apply to cities and nations as well as individuals." It was in part, said the young senator from Delaware, Joe Biden, a cultural thing: "Cities are viewed as the seed of corruption and duplicity." His House colleague Richardson Preyer agreed, echoing what he was hearing from his North Carolina constituents: "There is a general negative feeling toward New York. New York has a certain overtone of sinfulness about it."

"New York," *Fortune* magazine reported, "is different. City politicians seldom had to say no to anybody—whether union leaders making extravagant demands or citizens seeking benefits for themselves." Though it in fact was not really all that different. Simon spoke of overpaid, "parasitical" municipal workers, conceptually separate from the "productive population." They drew, he said, "appalling" pen-

sions, though for what it was worth the pension of the average retiring New York City policeman—$9,000—was $3,000 less than a pension in Chicago and less than half that in Los Angeles and San Francisco. City teachers and firemen also earned less than in salary than their counterparts in all of those cities, with a considerably higher cost of living. New York had fewer citizens per capita on public assistance than Philadelphia, Detroit, Milwaukee, and Chicago. (An oft-repeated claim that New York spent the most on welfare in the country ignored the fact that expenses covered elsewhere by state and county governments were borne by city governments in New York State.) Among the private corporations that paid their workers more in pensions than New York City were General Motors and First National City Bank—the financial institution most aggressive in pushing Beame's austerity budget, whose chairman Walter Wriston, municipal labor leaders never tired of pointing out, earned $425,000 a year. Mayor Beame, for his part, never tired of pointing out all the other cities facing similar balance sheet woes—among them Grand Rapids, Michigan, the president's hometown.

On June 10 the state legislature in Albany authorized the Municipal Assistance Corporation ("MAC"), an authority with the power to borrow up to $3 billion in bonds if city default appeared imminent—with the caveat that MAC didn't have to lend money at all if the city did not squeeze its budget according to the specified terms. The man who emerged as MAC's spokesman and most respected member, Felix Rohatyn of the investment bank Lazard Frères, was a Democrat, the son of parents who fled Nazi-occupied France, a recently divorced bachelor, the subject of public fascination and even affection for his "tiny 12-by-15 foot office that looks as if it might have belonged to an accountant of modest means" and his tiny apartment in a residential hotel. A former physics major, he seemed to hold out the promise of a wizardly technical fix: "I look for the basic elements of a problem," he explained in the *Wall Street Journal*. "If you can't get agreement on the nature of the problem, the solution is too difficult."

Alas, the solution to the problem of too little money appeared to rest in the hands of those who held the money. On July 17, a delegation of bankers including Wriston, David Rockefeller of Chase Manhattan, and Donald Regan, who was CEO and chairman of Merrill Lynch and a vice chairman of the New York Stock Exchange, met with Rohatyn and his Municipal Assistance Corporation. Together, they accused MAC of "business as usual"—the Bill Simon line. Rohatyn set up a meeting with the mayor to tell him that the only way to regain the confidence of such investors was to carry out what Rohatyn called "shock impact."

Promptly, MAC and city officials got to work on a financial plan that included four weeks of unpaid furloughs for municipal employees. The next week the Brooklyn Bridge was shut down once more—this time by four thousand doctors, nurses, health workers, and their patients, protesting cuts to the hospital budget.

CAN CAPITALISM SURVIVE? asked *Time* on the cover of its July 14 issue. "The root problem," the editors explained, "is that everybody wants more. Even in prosperous times, the demands of labor for ever higher wages . . . and the less affluent for expanded government services always add up to more than the economy can produce at stable prices. Rather than say no to the demands of any vocal constituency, democratic governments too often find it easier to run huge budget deficits, thus fueling inflation." Though they also quoted seven Nobel laureates in economics, including the legendary Kenneth Arrow, who disagreed, having signed a declaration blaming the economic crisis on corporations that produced "primarily for corporate profit," and demanding that "alternatives to the prevailing Western economic systems must be placed on the agenda at once."

The letters three weeks later were neatly split down the middle, capitalism pro and con—for example, "When farmers are slaughtering calves because it is not profitable to raise them, and when oil companies refuse to drill because it may not be profitable, then we must seriously question whether the system based on the profit motive is meeting the needs of society" (Sanford Stein, Chicago), versus, "Without profit there is no freedom" (Charles T. Clark, Tulsa, Oklahoma).

ANOTHER LETTER IN THAT ISSUE OF *TIME* TARTLY SAVAGED THE PRESIdent for a decision that seemed to have obliterated once and for all whatever political truce he had established with conservatives in the wake of the *Mayaguez* raid. It read, "President Ford's refusal to see Solzhenitsyn [June 21] is the refusal of a midget to see a giant for a very obvious reason. He would have to look up to him."

The arrival of the Nobel Prize winner in literature named Aleksandr Solzhenitsyn in the United States late in June had become a surprise flash point for arguments about the ideological future of the Republican Party. The fifty-seven-year-old Soviet Nobel laureate in literature had turned his 1945 arrest for writing a letter to a friend criticizing Joseph Stalin's conduct of the war ("anti-Soviet propaganda" and "founding a hostile organization"), and his subsequent incarceration in the system of Siberian work camps he memorably dubbed the "Gulag Archipelago," into one of the greatest bodies of writing in twentieth-century Russia.

Soviet authorities had shockingly allowed his first short novel, *One Day in the Life of Ivan Denisovich*, to published in edited form in 1962. Not, however, his staggering nonfiction accomplishment, *The Gulag Archipelago*, as he knew they could not. Fragments of its massive handwritten manuscript, written in secret, were passed from hand to hand over an unfathomably heroic decade-long process of research and composition. It was finally published in the West in 1973, six years after its completion, though not before the KGB seized one of three extant copies at the home of his typist, who promptly hung herself within days of her release by the secret police. In 1971 the KGB had allegedly tried to assassinate Solzhenitsyn. In 1974, the Kremlin expelled him, rendering him a stateless martyr to the endurance of Communist terror, a wandering prophet decrying the mad cruelty of the state that Henry Alfred Kissinger insisted on treating like any other member of the family of nations.

That, at least, was how conservative Republicans and right-leaning Democrats saw it. Back when Henry Kissinger had been practicing it under President Nixon, many of them made their peace with the signature foreign policy known as "détente"—a French word, roughly translated as "relaxation of tensions." Ronald Reagan, for instance, met Brezhnev during his summer 1973 visit to the United States, a moment accompanied by much talk that the Cold War had finally ended. At a lavish pool party for the Soviet leader held at Nixon's Western White House, the California governor exulted over "what I think is the most brilliant accomplishment of any president of this century, and that is the steady progress towards peace and the easing of tensions."

But another definition of détente was "trigger of a gun"—which is what it had come to sound like to Reagan now that the man in charge was Gerald Ford.

"There are some who believe we should grant favors to our adversaries with no strings attached," he said in one of his radio broadcasts. But "Soviet leaders from Lenin to Brezhnev have been realistic, unsentimental bargainers, men highly reluctant to pay for something offered free of charge." And: "'Détente—isn't that what a farmer has with his turkey until Thanksgiving Day?" That was at least more polite than what William Loeb said. The flamboyantly reactionary editor and publisher of the *Union Leader*, the most important newspaper in first-in-the-nation New Hampshire, called Henry Kissinger a "bootlicking supplicant of the Communists."

The fundamental political debate concerned whether relations with other sovereign states should be based in part on how they treated their own citizens. The Nixon-Kissinger position had been: absolutely not. If that had been the litmus test, there could not have been the historic opening to China. Nor the Strategic Arms Limitation Talks (SALT) Nixon began in 1969, which led in May 1972 to Nixon's signing of an Anti-Ballistic Missile Treaty in Moscow—nor the kind of diplomatic pressure Nixon was able to put on both Communist rivals, China and the Soviet Union, to persuade North Vietnam to negotiate an end to American involvement in Vietnam. It was time to transform the Soviet Union from a "revolutionary" to a "status quo" power, the better to make the world a safe and more stable place, was how Henry Kissinger conceived it—a moral end, he reasoned, in a world armed with enough nuclear warheads to destroy itself.

Now, however, that view was being challenged by a coalition that was not only bipartisan but trans-ideological. In 1973 a liberal Democratic congressman from Minnesota, Donald Fraser, launched hearings that produced a landmark report, *Human Rights in the World Community*, accusing an amoral Nixon of paying for America's supposed diplomatic gains by debasing the most powerful currency America had to offer: its values. "Human rights" was also the rallying cry when Scoop Jackson, a senator so sympathetic to Nixon's foreign policy during his first term that the president had considered him as a potential defense secretary, joined by Democratic congressman Charles Vanik, introduced an amendment to the 1974 Trade Act punishing the Soviet Union for limiting the emigration of Jews. "For if new relations between East and West are to mature into long-term peaceful cooperation there must be progress toward the freer movement of people and ideas between East and West, which is to say progress in the area of human rights and liberty."

The coalition behind Jackson-Vanik included some of the most liberal and most conservative members of Congress. That drove President Ford, who thought he'd acceded to the White House with a mandate to further advance what had once seemed to be Nixon's most popular and uncontroversial achievement—détente—to baffled distraction. Now he wasn't just negotiating with the Soviets. He was negotiating with Scoop Jackson—a puffed-up senator with presidential ambitions—on a piddling *symbol*. But not, apparently, to the House of Representatives, which late in 1974 passed the Jackson-Vanik amendment unanimously. *The Gulag Archipelago* had just wound up an eighteen-week run on the *New York Times* bestseller list. For conservatives, it served a powerfully emotional purpose: it let them believe that Brezhnev's Kremlin, which merely consigned dissidents to mental hospitals, was still identical to Stalin's, which sent them off to rot in sadistic frigid gulags while con-

signing millions of *kulaks* to die of starvation. It let them dismiss the nuances of diplomatic strategy as sheer moral abdication.

Ford bowed to political pressure and signed the act; the Soviets promptly canceled the entire new trade relationship so carefully negotiated by Nixon and Kissinger in 1972. Kissinger, in a hastily announced press conference, almost sounded like he was complaining about being forced to negotiate for the wrong side. "The Soviet government states that it does not intend to accept a trade status that is discriminatory and subject to political conditions," he said, and promised that the administration "will, of course, continue all available avenues for improvement in relations."

Reagan responded in a broadcast with a cleverly pragmatic argument against the very logical presumptions of détente: because "the Soviets have very little in the way of technology," and "it's unlikely we'd wish to become dependent on them for raw materials when many other sources are available," tough conditions like Jackson-Vanik were in fact the *best* route to improved relations—and, as a bonus, won the moral argument. "The more we focus on internal Soviet repression, and increase our demands in that area, the greater the chance that over the years Soviet society will lose its cruelty and secrecy." He made a similar argument that week with regard to granting diplomatic recognition to Red China: it was part of the détente pattern of an "unending series of one sided concessions," when in "the long run no concession is more important than a relaxation of China's brutal relationship toward its own people."

When Reagan made such arguments on the radio, he sounded uncharacteristically rushed, awkward, outside his zone of comfort. By late April, however, when he spoke to a Republican conclave in Mississippi, the reticence was gone—and the crowd went wild. He continued on to a pharmaceutical industry convention in Boca Raton (for his standard fee: five thousand dollars), to Atlanta for private meetings with Republican politicians, to a lecture on the Georgia Tech campus in which he barked that in refusing to vote through the $720 million aid request for the South Vietnamese military, this Congress had acted "more irresponsibly than any Congress now in our history," and had "blood on their hands." He got a standing ovation—and admitted to a reporter that, yes, these were just the sort of "recriminations" the president had asked Americans to avoid regarding Vietnam. One of his travel companions was columnist Robert Novak—who promptly wrote on May 6 that Reagan, "an enthusiastic détentist so long as Nixon was President," was working so hard he could only be in training for a presidential run.

His martial barks also grew steadily more aggressive that summer. He quoted approvingly the former defense official under Lyndon Johnson, and architect of the Vietnam War, Eugene V. Rostow (who "could be described as liberal but reasonable"), as saying that despite détente-like efforts in American foreign policy since Franklin Roosevelt's time, "There has been no improvement in our relations with the Soviet Union, save in the realms of public relations and wishful thinking," and that the Soviet Union was more dangerous than ever. He added, quoting Senator Jesse Helms, another count to his bill of indictment against détente: the threat to America's "lease in perpetuity" of the Panama Canal, regarding which, "[t]hough he hasn't said anything about it publicly, Secretary of State Henry Kissinger is rumored to be seriously considering plans to make a deal with the Panamanians to mollify" officials there who wanted us to give up the canal. The first step, he reported, had already begun: plans to turn over control of police, fire, and postal services in the Canal Zone to the host government, meaning, he said, Americans could have "all their mail monitored" by the head of Panama's G2 intelligence service, "Lieutenant Colonel"—he paused, struggling with the unfamiliar name—"Manuel Noriega, a man not unfriendly to the Cuban Communists and one very influential in the current Panamanian regime.... One can and is forced to ask: Why?

"This is Ronald Reagan. Thanks for listening."

RUSSIA'S SUNKEN-EYED, BEARDED PROPHET ARRIVED ON THESE SHORES just in time for the 199th anniversary of the signing of the Declaration of Independence. Solzhenitsyn asked for an Oval Office meeting. To Ford, the correct response seemed simple enough. The recent humiliations of his negotiating partners in the ongoing SALT II talks needed salving. And it wasn't as if gulags were operational *now*, after all. In less than a month Ford was set to meet with the Soviets during a historic thirty-five-nation summit in Finland—the kind of bold international move that had always sent Richard Nixon's political fortunes into the stratosphere. But an increasingly aggressive cadre of hard-line White House aides—angry, for example, at a recent deal Ford had completed to sell the Soviets wheat on generous terms—argued otherwise. One wrote, "Our refusal to see Solzhenitsyn will come to symbolize a Munich-like deafness in this period." Another, Richard Cheney, wrote a lengthy political memo to his boss, Donald Rumsfeld, Ford's chief of staff: "I can't think of a better way to demonstrate for the American people and for the world that détente . . . does not imply also our approval of their way of life or their authoritarian government." Insulting Solzhenitsyn,

Cheney concluded, would hurt "the President's capacity to deal with the right-wing in America."

But Ford wasn't thinking much about that. He was still dismissing the possibility of a Reagan presidential run. He considered the Russian dissident a "horse's ass." And he didn't like being backed into a corner.

So: no meeting with Solzhenitsyn. But his decision—the details of which were embarrassingly exposed on the Senate floor by Jesse Helms, who reported the Nobelist's anguish that the American people could not realize that World War III was already over and that America had already lost—brought on a firestorm that blindsided him. He tried to reverse himself: a call was placed to invite the Russian to the White House with two hours' notice; Solzhenitsyn loudly and publicly refused. Damned if he did, damned if he didn't.

On July 13 the AFL-CIO held a moving testimonial dinner for the dissident, who told the 2,500 guests, "The Communist ideology is to destroy your society." He said, "The principal argument for the advocates of détente is well known: all of this must be done to avoid a nuclear war. . . . Why should there be a nuclear war if for the last thirty years they have been breaking off as much of the West as they wanted—piece by piece, county after country, and the process keeps going on?" He said the United States should still have troops in Southeast Asia, fighting Communism. Twenty-five hundred eager listeners seemed to agree.

On July 15, the day after Gerald Ford's sixty-second birthday, Ronald Reagan's syndicated column named the president in print for the very first time. He noted that Ron Nessen's latest in a series of constantly shifting rationales for the snubbing of Solzhenitsyn was that presidential meetings must have "substance." "For substance," Reagan stabbed back, "the President has met recently with the Strawberry Queen of West Virginia and the Maid of Cotton."

Détente's symbolic apex was supposed to take place two days later, high up in outer space: the docking between a Soviet Soyuz spacecraft and an American Apollo craft. Technically speaking, it came off without a hitch. The hitches were all political. Jewish Defense League protesters burned a cardboard rocket outside the Soviet mission to the United Nations, chanting, "Dump détente, dump Kissinger, let my people go!" Détente, an all but uncontroversial proposition the day before yesterday, was now politically toxic. So Ford decided to slow talks with Panama over the future disposition of the canal, and to postpone plans to establish formal diplomatic relations with the People's Republic of China until after the 1976 presidential elections.

Republican councils were obsessed with the poll showing that only 18 percent of the public identified with the Grand Old Party. Informally, there had been talks about whether to change its tainted name. Another public relations idea was a joke book, *Republican Humor.* Every Republican congressman would be asked to contribute. "Probably some of them won't have anything funny to offer," a staffer observed. What the Grand Old Party settled on instead was three half-hour fund-raising TV specials featuring "everyday Republicans who want to tell why they have stuck with the GOP." The series, coordinated with accompanying lapel buttons for the party faithful to wear to work the next day, was titled *Republicans Are People Too!* The second installment ran on July 1, up against *M*A*S*H* on CBS and a Tuesday Movie of the Week on ABC about a talk radio host who baited a listener into committing suicide. The GOP show's theme, more cheerful, was "Republicans are people who care." It cost $124,000 to produce. It brought in $5,515. The announced third episode never ran.

On July 8, at the height of the Solzhenitsyn debate, the president sat before reporters in the Oval Office and formally announced, "I am a candidate for the Republican nomination for President in 1976," promising to "finish the job I have begun." He announced the "outstanding Americans on whose integrity both my supporters and all others can depend" who would be running his campaign, including the computer magnate David Packard as finance chair, 1964 Goldwater co–campaign manager Dean Burch as head of campaign planning, and Howard "Bo" Callaway, a conservative former Georgia congressman who had been Richard Nixon's secretary of the army, as campaign manager.

Then, on July 16, readers perusing page nineteen of the *New York Times* could learn of a press conference the previous day in a Washington hotel basement from the new "Friends of Ronald Reagan," whose chairman, Nevada senator Paul Laxalt, explained, "The purpose of this committee is to build an organization and raise the money necessary to conduct a viable and effective campaign once Governor Reagan decides to become an active candidate." Laxalt said he hoped that would happen, because even though "all of us, Democrats and Republicans alike, must give him our support lest others in the world receive the impression that America is too weak or immobile to act," the president was a failure. "Mr. Ford's efforts to cope with these problems on a day-to-day basis provide little relief for the vast majority of Americans who yearn for a leader who can communicate a realistic perspective on America's future."

Still, Laxalt would not guarantee Reagan would run. Though he said that if Reagan did, he gave four-to-ten odds he would win.

The *Times*, plainly, disagreed. "A number of Republican professionals," they noted, "said today that the first list of Reagan sponsors reflected some loss of support in recent months, as Mr. Ford's political stock gained and Mr. Reagan remained undecided." Reagan's old radio mentor Congressman H. R. "Charlie" Gross was there, and a former Kentucky governor—but not longtime backers like David Packard, Ford's finance chair; or oilman Henry Salvatori; or California Republican chairman Paul Haerle, Reagan's former appointments secretary, whom the governor had personally elevated to his new job, but who now announced his support for the president. "It is the tradition of our party to support the incumbent," Haerle said in a UPI profile of Reagan that came out that same morning. "I don't happen think anyone, Ronald Reagan, or Jesus Christ reincarnated running against an incumbent who is doing a good job would be a good idea."

A good job: faint praise. But then again, Paul Laxalt said exactly the same thing during his press conference, in the question-and-answer session: "We're not saying President Ford is not doing a good job. But Governor Reagan could do a better job."

There was none of Reagan's rip-roaring anti-détente language of recent weeks, no excoriation of Henry Kissinger, no talk of wicked federal bureaucrats traducing liberty-loving citizens—just vague palaver about how voters "want a change in the direction of government." The whole spectacle, in fact, was anticlimactic. It didn't feel very Reagan-like at all. It left conservative supporters confused. The ones not in the Washington loop wondered who the stocky thirty-five-year-old Ivy League–looking fellow with the flat, round face and imperturbable smile was, constantly by Laxalt's side. The conservatives *in* the Washington loop, however, who knew this longtime Nixon political operative, John Sears, reacted to his presence in two ways. First, they didn't worry: if an operative as serious as John Sears was on board, this meant it was a real presidential campaign. Second, they *worried:* they knew him as a man inordinately proud of his conviction that ideological combat played no necessary role in presidential campaigns. So how could he be running Ronald Reagan's?

The next week the first polling of Republicans on a Reagan-Ford head-to-head matchup came out. Gallup had it as 41 to 20 percent for the president, whose approval rating was a mere 52 percent. Harris had it as 40 to 17 percent. Though given the mess of pottage that was a Republican presidential nomination, did it really matter? The same day as

Paul Laxalt's press conference, Kennedy brother-in-law Sargent Shriver announced his candidacy, making himself one of at least a dozen Democrats lining up for a nomination fight in which victory felt like a golden ticket to the White House. For its June monthly digest, Gallup ranked thirty-four people being talked up for the Democratic nomination according to their name recognition, with Ted Kennedy in the lead with 90 percent and George Wallace second with 88. Frank Church, who'd imagined his ongoing CIA investigation as *his* golden ticket to the front ranks, was in twenty-third place with 24 percent. That put him one spot above the former governor of Georgia; only 23 percent of Democrats were able to recognize the name "Jimmy Carter."

THE PRESIDENT LEFT FOR TEN DAYS OVERSEAS IN LATE JULY. THE *TIMES* sent him off with the headline "Ford Sees 35-Nation Charter as a Gauge on Rights in East Europe"—an index of the new political sensitivity to human rights. The legally nonbinding document to be discussed and perhaps signed in Helsinki would establish that the current boundaries of the nations of Eastern Europe were "inviolable by force"—what the Soviet Union wanted—in exchange for human rights concessions like letting families reunify across national borders—what America wanted. That would mark the first time, Ford was proud to say, that the Communist states that had refused to endorse the 1948 United Nations Universal Declaration of Human Rights acknowledged human rights as a legitimate concern of diplomacy. All that in exchange for a mere formal admission that the map of Europe that had existed since World War II was, well, the map of Europe that had existed since World War II: *something for nothing*, was Ford's triumphant interpretation of what America got out of the Helsinki Accords.

The newly confident conservative foreign policy coalition most strenuously disagreed. The *Wall Street Journal* called it the "new Yalta," the most stinging fighting words a conservative could hurl—Yalta was the site in 1945 where Franklin Roosevelt had supposedly sold out Eastern Europe to the Soviets. Scoop Jackson called it "formal capitulation to Soviet tyranny." Ronald Reagan said, "I am against it, and I think all Americans should be against it." Conservatives also proved unmollified by what happened next: a triumphant tour by Ford of Eastern Europe, throngs cheering an American president wherever he went in what conservatives called the "Captive Nations." In Belgrade, he was even honored with a reception at the city hall—where he landed a blow at the spendthrift liberals running New York by sanctimoniously teaching the Communists a lesson about capitalism: "They don't know how

to handle money. All they know how to do is spend it." Came back an aide at New York City Hall, "People in White Houses shouldn't throw stones. At least the City of New York has a balanced budget." He then suggested, "Perhaps Mayor Beame should begin serious talks with the Communist bloc. That appears to be the fastest way to get aid in Washington."

Liberals hated Ford: wasn't that just more reason not to fear a political attack from his right?

The news features on the first anniversary of his presidency flushed out still more professions of hatred for him from liberals. Hubert Humphrey took the occasion to call him "a seventeenth-century physician bleeding his patient in an attempt to cure him." Ralph Nader said he was a "smiling man who makes cruel decisions." That week, Ford surely placated some Southern conservatives when he signed a bill restoring citizenship to General Robert E. Lee.

And maybe some conservatives might have been impressed—if, five days after his return from Europe, he hadn't leaped from the right-wing frying pan right into the right-wing fire, courtesy of his freethinking spouse.

THE INTERVIEW WITH CBS NEWSMAN MORLEY SAFER BROADCAST ON *60 Minutes* on the second Sunday in August wasn't long in turning hot. The first lady volunteered the advice her shrink had been giving her: she was "not taking any time out for Betty." The subject of feminism came up. "I'm not the type that's going to burn my bra," she said, but "nothing could be greater" than passage of the Equal Rights Amendment. *Roe v. Wade* was a "great, great decision." Safer wondered if she thought her kids had tried marijuana. Almost certainly, she answered; these days it was like trying "your first beer or your first cigarette." She also said she thought that the fact that more young people were "living together" wasn't necessarily a bad thing; perhaps it meant the divorce rate would drop.

Safer followed up: "What if Susan Ford came to you and said, 'Mother, I'm having an affair'?"

The first daughter, who that May had held her senior prom in the East Room of the White House, was eighteen years old. The first lady answered, "I wouldn't be surprised. I think she's a perfectly normal human being, like all girls." She explained, however, that she would certainly want to meet the young man to see whether he was "nice or not," and judge whether it was "a worthwhile encounter." (In actual fact Susan Ford had an old-fashioned steady boyfriend who reported in

an interview with *Ladies' Home Journal* that Susan opposed women's liberation: "I don't think she'll be a professional woman or anything. I don't think she'll do anything spectacular. She'll be the average mother on the block, always doing a lot for the neighborhood kids. . . . A job is all right if they can do an equal job, but I don't think they can.")

Mrs. Ford had brought up her work with a psychiatrist in her first interview as first lady—and, the following month, indicated that she was a proponent of legal abortion. Back then, White House political handlers rushed her to a maternity ward at a big hospital to be photographed with an adorable babe in arms. This fire would not be so easily contained. It erupted just as another interview, in the women's magazine *McCall's*, was published. In this article, Americans learned that the Fords spurned the White House tradition of separate bedrooms, and Mrs. Ford volunteered that reporters asked her just about everything, except how often she and the leader of the free world had sex. "And if they asked me that I would have told them, 'As often as possible.'" (On *60 Minutes* she elaborated: "I have perfect faith in my husband. But I'm always glad to see him enjoy a pretty girl. And when he stops looking, then I'm going to begin to worry. . . . And he doesn't have time for outside entertainment. Because I keep him busy.")

Mary McGrory, the liberal syndicated columnist, rushed out with a piece headlined in the *Boston Globe* "BETTY FORD'S VIEWS ON SEX FAIL TO STARTLE COUNTRY," confidently pronouncing that the interview merely "indicated she is getting her information from the real world." McGrory reported that by noon Monday the White House press office had fielded only three phone calls on the interview, two taking "[m]ild exception to Mrs. Ford's allowing a total stranger with a microphone to ask her such a question about her 18-year-old daughter. A third objected to the answer." CBS, she said, had received no complaining phone calls at all. And she said that the press office in Vail, Colorado, where the Fords were vacationing, got about a hundred telegrams and phone calls, evenly divided.

She wrote too soon—and too wishfully. Ron Nessen said the president was laughing off the entire thing. Bo Callaway said it wasn't "a major issue in Washington," and that besides, people *liked* the first lady's candor whether they agreed with her or not. For her part, Betty Ford said she'd probably "made a few votes" for her husband. Pulse-taking politicians, and not just conservatives, placed their bets otherwise. Henry Hyde, a Republican congressman from suburban Chicago, compared Betty Ford to Martha Mitchell—the alcoholic, mentally ill wife of the former attorney general who was Washington's gold stan-

dard for embarrassing political spouses. A humor columnist, expressing the conventional wisdom, suggested the only thing for Betty to do was resign. ("The networks and women's magazines . . . are making incredible offers to get the First Lady to sit down and openly discuss adultery, drinking, homosexuality and a proposed postal rate hike.") The liberal Hugh Carey, taking a break from negotiations on how to rescue the Big Apple, offered that he wasn't "old-fashioned," but "I do believe in the lyrics of the song Frankie sang so well, 'love and marriage, go together like a horse and carriage.'"

Of course Frank Sinatra had been known to honor that injunction in the breach, rather often. Which was the point McGrory had been making: morally sophisticated people understood that this was how the "real world" worked—nothing simple about it. For others, however, if there were no easy answers, there were simple answers. *Plenty* simple. A Baptist preacher in Charlotte, North Carolina, announced he would be delivering a sermon the following Sunday explaining how the first lady's remarks were "directly contradictory to the teachings of the Bible." Two thousand packed his pews to hear it. Equal Rights Amendment? It was just as Isaiah 3:1–4 prophesied, that "the Lord, the Lord of hosts, doth take away from Jerusalem and from Judah the stay and the staff" if "mighty man, and the man of war, the judge, and the prophet" had his dominion taken from him. Abortion? Premarital sex? I Corinthians, 6:9–10: "Be not deceived: neither fornicators, nor idolaters, nor adulterers, nor effeminate, nor abusers of themselves with mankind . . . shall inherit the kingdom of God." Experimentation with marijuana? The prophet Hosea had something to say about that: "Whoredom and wine and new wine take away the heart."

Twelve North Carolina radio stations picked it up for broadcast. So many callers swamped the Northside Baptist Church's switchboards for printed copies that Pastor Hudson published it as a pamphlet. Soon hundreds of thousands of copies circulated throughout the country.

On August 25 the president stepped into the batter's box to try to knock all the chatter away. Perhaps he had seen the polling from Albert Sindlinger, which Evans and Novak would publicize in their column the next week, finding that in interviews taken on August 24 his approval rating was down to 33.8 percent—whereas it had been 55.3 percent on August 10.

"Betty meant we're deeply concerned about the moral standards" in their family, went his first swing. A whiff.

Strike two: "What Betty was trying to say was that in the closeness of

our family we are deeply concerned about the moral standards of how a family is raised. Unfortunately, there has been a misunderstanding. . . ."

One more try: "There are high moral standards in the family, give and take . . ."

But for those drawing their conclusions from Isaiah 3: 1–4, "give and take" within the family and "high moral standards" were precisely opposed notions. So that only dug Gerald Ford deeper in the hole. And he didn't do any better with Pastor Hudson's mortal enemies—as feminists asked what business a husband, even a president, had speaking for his wife in the first place. The messages to the White House, finally tallied up, comprised 10,512 votes in support of the first lady—and 23,308 far more passionate ones opposed. "Your statement on '60 Minutes' cost your husband my vote," ran a typical one—and, said one from the South, "We think this error more serious than anything that President Nixon did."

THE MOST IMPORTANT RESPONSE TO BETTY FORD'S INTERVIEW WAS surely the one that appeared on the front page of the only statewide paper in the home of the nation's first presidential primary, scheduled for February 24, 1976. William Loeb of the Manchester *Union Leader* published one of his trademark front-page editorials. Titled "A DISGRACE TO THE WHITE HOUSE," it opined, "The immorality of Mrs. Ford's remarks is almost exceeded by their utter stupidity. . . . President Ford showed his own lack of guts by saying he had long ago given up commenting on Mrs. Ford's radio interviews. What kind of husband is that? As President of the United States, he should be the moral leader of the nation. . . . It is up to him to take a moral stand. He should repudiate what Mrs. Ford said."

He did not. Nor did he criticize his son Jack, who had indeed smoked marijuana: "I can disagree with what some of our children do," Ford said at a news conference, "but as long as they are honest with us and at least give us an opportunity to express our views, I don't think I should go any further." Jack himself wondered what all the fuss was about: "Everyone in our family is grown up," he said. "We're not under our folks' care any more."

Such family issues felt increasingly political. So when Nancy Reagan seemed to weigh in on the first lady's interview, it felt like a battle line was being drawn. It came at an address to a Republican women's club in the tony Detroit suburb of Grosse Pointe. She said it was the first prepared speech she had ever given. She never mentioned Betty Ford by

name, but there wasn't much doubt where she was aiming. "The young people on college campuses and elsewhere are told that to be cool and 'with it,' they should have no 'hang-ups' about sex and premarital living arrangements," she said. "Under the new morality, if they get together for a while and it doesn't work out, they 'split,' as they say. Nothing ventured, nothing gained. Nothing, that is, but the most enriching human experience: the commitment to another human being."

She continued by referencing the latest policy debates over abortion: whether tax money should pay for abortions under Medicaid, and whether underage girls should be able to have abortions without telling their parents. There was no mistaking where Nancy Reagan stood: "our welfare programs making abortions available to under-aged girls regardless of their families' financial situation and without informing the family" were an abomination. Her spokeswoman insisted there were no political implications in her remarks. The ladies of Grosse Point seemed to disagree: "We all came away thinking she would be very worthy of being the First Lady in the White House," one told a reporter.

Maybe she would get the chance. The Ford presidential campaign effort suddenly seemed to be a shambles. Ford interrupted his Vail vacation with political swings into Midwestern and Western states where he vacillated between defending détente and echoing Ronald Reagan. When Reagan's supporters complained about Ford's expenses being paid for by the Republican National Committee, the RNC responded that his travel expenses represented "party building" by the Republicans' "titular leader"—at which a Friends of Ronald Reagan official scouringly questioned whether "Ford is even the titular leader of his party," adding that the Republican treasury "should not become a vehicle for any single candidate in contest for the party's nomination, regardless of any office he may hold."

"Any office he may hold": his perch in the Oval Office was not exactly intimidating the opposition.

Southern Republican state chairmen met in a beach town in North Carolina late in August. Ford campaign lieutenants swooped down on the meeting, lobbying aggressively for loyalty to the president. They heard a mass chorus in return: if the president wanted to dull the Reagan charge, he should drop Nelson Rockefeller from the ticket. Rockefeller then headed South to mend political fences—to "prove to them I don't have horns," he said. In Mobile, Alabama, and Columbia, South Carolina, hat in hand, he all but apologized for the nearly sixteen years of his gubernatorial terms making New York one of the freest-spending states in the union. It didn't work. 'That's all we talked about, replacing Rockefeller," Mississippi chairman Clarke Reed told reporters—and claimed that at least half of his colleagues preferred Reagan, not Ford, as the party's 1976 presidential nominee.

That same week dealt a body blow to Ford's best political bulwark against charges that he was selling out to the Soviets. His hard-line defense secretary, James Schlesinger, had begun making more and more belligerent statements: that "another Korean War" was possible unless America bulked up its post-Vietnam defense posture in Asia; that "Americans must toss off tender sensibilities and set our stomachs," because "the United States might have to make a decision to become the first to introduce atomic weapons." The syndicated columnist Clayton Fritchey pointed out that his tough talk "gives the President some protection from the right wing of his party," and that it was "obvious that the course he is pursuing has the passive, if not the active, approval of the White House." But almost immediately after this column was published, a Pentagon leak revealed that Schlesinger believed his boss had given away the farm in Helsinki.

So much for a coordinated strategy to hold off the right on the foreign policy front.

THE PRESIDENT LEFT FOR A SERIES OF POLITICAL STOPS ON THE WEST Coast. Perhaps the words of three liberal Republican senators who had visited him in the White House—Charles Percy of Illinois, Clifford Case of New Jersey, and Jacob Javits of New York—rang in his ears: they said his attempts to mollify conservatives by aping Reagan on the evils of activist government would be disastrous for the party. If so, he ignored them—telling a fund-raising luncheon in Seattle, "Help me free the free enterprise system." In Portland, Oregon, he attended a "youth Bicentennial rally." He was well received at both. He boarded Air Force One for a stop on Reagan's home turf: Sacramento. To a Chamber of Commerce breakfast, then to the California legislature, he dared venture boasts about the continued success of détente, noting "an important breakthrough we have just made in defusing the time bomb that has been ticking away ominously in the Middle East": Kissinger had just secured a preliminary peace accord between Egypt and Israel. That was well received, too. He reported that 50 percent of Miss Universe contestants, asked on a questionnaire who was "the greatest person in the world today," answered "Henry Kissinger." The audience rocked with appreciative laughter.

He returned to his hotel, then, shortly before 10 A.M. he strode forth for an address to the state legislature at the capitol, across the street.

Skies were clear; a small crowd outside the hotel cheered him on; the sun finally seemed to be shining on Gerald Ford. Crowds lined the restraining ropes snaking through the verdant grounds. The president began shaking hands, confident and smiling.

A blank-faced woman dressed in a dramatic flowing red gown and a bizarre red turban drew a .45-caliber Army Colt automatic from a leg holster.

The leader of the free world flinched, paled; a Secret Service officer grabbed the gun with one hand and this tiny, mousy woman with the other.

She started screaming. "It didn't go off!" she said as she was led away, first in surprise and dismay, then in an apparent attempt at self-exculpation. "Don't worry. It didn't go off, fellows. It didn't go off!"—as if that technicality might free her. She then acted as if the political analysis she confidently shouted into the crowd—which crowd, since it had all happened so fast, hardly realized an assassination had been attempted at all—might explain it all away: "This country is a mess! The man is not your president!"

The president, grimly determined, agents shielding him in every direction, continued on to the capitol building and calmly delivered his speech—which focused, ironically, on "the truly alarming increase in violent crime throughout this country." Meanwhile, journalists got to work identifying the strange small woman in the red turban. Her name, they learned, was Lynette "Squeaky" Fromme, and her guru was none other than Charles Manson.

Americans had retained a death-haunted fascination with this wicked Svengali who somehow insinuated himself inside the minds of a make-shift tribe of young men and women, most from ordinary middle-class suburban backgrounds, and by 1969 turned them into a gang of remorseless killers who fondly hoped their cold-blooded murders of Sharon Tate, Leno and Rosemary LaBianca, and their friends in the Hollywood Hills would foment a national race war. The previous spring, the paperback rights to prosecutor Vincent Bugliosi's bestseller about the case, *Helter Skelter,* sold for an astounding $771,000. Now the lurid fascination was kindled anew.

In 1971, it turned out, Fromme, then twenty-two years old, had been sentenced to ninety days in jail for attempting, by lacing a hamburger with LSD, to keep a witness from testifying in the Tate murder trial. An interview surfaced that she had given in July 1975: "If Nixon's reality wearing a new Ford face continues to run the country against the law, our homes will be bloodier than the Tate-LaBianca houses and My

Lai put together." The Associated Press tracked down her best friend, Sandra Good, "who still bears a deep X scar carved in her forehead in devotion to Manson." Good and Fromme cohabited celibately "as self-avowed 'nuns,'" it was explained. "She's a very, very gentle girl," Good insisted. "That's why all this monstrousness out there hurts her." The "monstrousness," she explained, included "Charlie being locked up, sitting in a cell for five years." (Fromme's trial attorney explained that her goal had been to win Manson a new trial.) And, too, the despoliation of the environment: "Every day," Good said, "we wake up and think, 'How many whales did they kill today?'" She then patiently explained that she and Fromme were members of "a wave of assassins," the "International Peoples' Court of Retribution," "made up of several thousand people throughout the world who love the earth, the children, and their own lives. They have been silently watching executives and chairmen of boards—and their wives—of companies and industries that in any way harm the air, water, earth, and wildlife." Soon after, one of the seventy-five people Good said they'd marked for assassination, a Dow Chemical executive, said that weeks earlier he'd received a threatening phone call from a woman identifying herself as a member of the Charles Manson family.

At her arraignment, Fromme stood up, addressed the judge despite a warning that she might prejudice her chance for a fair trial, and proclaimed, "I want you to order the corps of government engineers to buy up the parks.... You have jurisdiction over the redwood trees. The important part is the redwood trees.... The gun is pointed, your honor." (She cheerfully addressed the judge as she was led from the courtroom: "I hope I wasn't rude." He assured her she was not.) Another character was introduced in the news: one Harold Eugene Boro, sixty-six, the owner of the gun, a quiet grandfather, divorced for thirty years, who relatives said "never was interested in women or anything," but who nonetheless had become Fromme and Good's "sugar daddy." As for Good, she stood outside their apartment and told reporters that their International Tribunal now marked three thousand people for execution, "if they didn't stop harming the environment and projecting distorted sex images into the media"—though their wives would be "hacked to death" first.

MORE DISTURBANCES.

School was in session—or, in a bewildering array of places around the country, was not in session. Every Chicago school and most New York schools were empty. So were schools in ten separate communi-

ties in Rhode Island and thirty-one in Pennsylvania, and in Berkeley and San Jose, California; Wilmington, Delaware; Milan and Brecksville, Ohio; Hoboken, New Jersey; and Lynn and New Bedford, Massachusetts. One municipality that avoided America's unprecedented wave of teacher strikes, however, was Boston. There classes went on as scheduled the first Tuesday after Labor Day—as two hundred young demonstrators in the Charlestown section greeted the second year of court-ordered desegregation by barricading themselves off at the corner of Bunker Hill and Concord streets and stoning police cars.

Gays were on the march—so proclaimed the September 8 cover of *Time*, from which peered a uniformed Air Force officer named Leonard Matlovich declaring, "I am a homosexual." "Similarly jolting," they observed, "have been public announcements of their homosexuality by a variety of people who could be anybody's neighbors." *Redbook*, the ladies' magazine, and syndicated advice columnist Abigail Van Buren said you should have nothing to fear. *Redbook* quoted her response to two worried parents: "Why do you assume that her sexual preference will necessarily 'ruin' her life?"

But the account that ensued in *Time*—"perhaps the most obvious aspect of the male gay subculture is its promiscuity," a "sexual marketplace" of "quick, anonymous and furtive sex in men's rooms of public parks," "prostitutes who are teen-age or younger . . . greatly in demand, particularly by older married men" (a guide to the nation's underage brothels, *Where the Boys Are*, had sold 70,000 copies), and the "orgy rooms" of proliferating bathhouse clubs (one chain had branches in thirty-two cities, like McDonald's)—made it hard for even the most liberal-minded readers to find much tolerance in their hearts for the new developments, or sympathy for a political movement making "headway by using the model of the black civil rights struggle." A psychoanalyst got the last word: "'Anything goes' is a legitimate attitude for consenting adults . . . but for a culture to declare it as a credo is to miss entirely the stake all of us have in the harmony between the sexes and in the family as the irreplaceable necessity of society. This is a society that is increasingly denying its impotence by calling it 'tolerance,' preaching resignation and naming all this 'progress.'"

New York still faced fiscal catastrophe, Felix Rohatyn's Municipal Assistance Corporation having failed to cajole private capital markets into coughing up more loans. Mayor Beame laid off more than eight thousand teachers and school paraprofessionals—and the strike that resulted kept 1,075,000 innocent children from the classroom. Corrections officers briefly blocked the bridges to the jail on Rikers Island; citizens occupied firehouses to keep them from closing. On September 4 the state legislature convened to consider emergency measures. An editorial in that morning's *Wall Street Journal* said the "fiscal agony of New York City has gone so far that the only hope for a responsible and reasonably straightforward resolution is a voluntary bankruptcy." Republicans emboldened by the editorial forced through an Emergency Financial Control Act, which on September 9 all but transformed government in the world's greatest city into an adjunct of a seven-person budget oversight board appointed by largely rural legislators in Albany. It was like what Ronald Reagan now said on the radio. Officials in both parties were talking about siting their national conventions in the city. Reagan said it might be a good idea: "It could be very educational. . . . New York is an example of what can happen to this entire country if we don't re-chart our course." He was especially offended by the fact that at its public colleges—whose 1,400 professors were also then on strike, with the president of their union beginning to serve a five-month sentence for contempt of court—"not one student, regardless of means, pays a penny in tuition."

The seventh special session of the United Nations General Assembly opened, also in New York. The theme was global economic development. The UN was founded as a majority-European body, but now 70 percent of its membership consisted of Third World states. Those states, emboldened by the success of OPEC's Arab members in unilaterally turning themselves into geostrategic powerhouses by leveraging a commodity that nature happened to have gifted them beneath their sands, had begun playing the natural resource game themselves. Lowly Jamaica, for example, had begun telling America precisely how high it had to jump to access Jamaican bauxite, essential for the manufacture of aluminum. Now these countries' prime ministers and presidents were in Manhattan bearing just such demands, proposing a sweeping reconstruction of the balance of power between have and have-not nations in the institutions of trade. And Daniel Patrick Moynihan, appointed America's UN representative right after insisting it was "time that American spokesmen came to be feared," presented the American response. Which was, pretty much, that the Third World nations would get exactly what they wished—a package of reforms designed to make sure such countries' export programs continued to prosper whatever the fluctuations in demand for their commodities, an effective transfer of billions of dollars of value from the First World to the Third. The Ford administration appeared to have little choice: "at least 75 percent of the holdings of U.S. raw materials located in Third World Nations," accord-

ing to one estimate, "had been nationalized." Treasury secretary Simon, livid, said of the proposed package, "We are in danger of compromising our basic commitment to the free enterprise system." The *Wall Street Journal* compared such deals to handing over to feckless "international bureaucracies" the power to "balance Mayor Beame's budget."

IN THE SECOND WEEK OF SEPTEMBER, THE ASSOCIATED PRESS REPORTED that telegrams and letters to the White House were running two to one against Betty Ford. A Democratic congressman from Ohio gave a speech on the House floor decrying the fact that twenty-four millionaires paid no federal income tax. And first-in-the-nation New Hampshire treated observers to a sort of referendum on the pressing political question of the moment: moderate Republicanism versus conservative Republicanism, President Gerald Rudolph Ford against Governor Ronald Wilson Reagan.

A bizarre set of circumstances had followed a near tie in the 1974 election to replace a retiring conservative Republican senator from Hampshire: Republican Louis Wyman appeared to be ahead by 355 votes on election night, then Democrat John Durkin demanded a recount that put him ahead by ten votes; the Republican got a second recount that gave him the edge by two votes. Seven months of legal wrangling followed until a new election was called for September 16. President Ford seized on Wyman's campaign as an opportunity. Having defiantly proclaimed following Squeaky Fromme's folly in Sacramento that "no circumstances will preclude me from contacting the American people as I travel from one state to another," he embarked upon an eleven-hour tour of fourteen towns across the lower tier of the state, stopping at several points along the way to make speeches as he perched on the presidential limousine's running board, plunging impromptu into crowds for handshaking sessions, the only evident concession to security a snugger-fitting shirt and two clips from some sort of device above either side of his belt, which reporters guessed must be fastening a bulletproof vest.

It was, the *New York Times'* James Reston wrote, perfectly absurd: "the old crowd-pushing, hand-shaking, good-guy technique is no answer to inflation, unemployment, and the other concerns of the nation, and it is obviously dangerous. For we are living in a troubled and maybe even a demented age." Something else, he wrote in the same column, was also absurd: the political calculation that suggested the necessity of all this campaign-style glad-handing. "The notion that Ronald Reagan can get the Republican presidential nomination," he said, "is patently ridiculous unless you suspect the Republicans of suicidal tendencies."

And yet there was Ronald Reagan, making his own foray into New Hampshire on Louis Wyman's behalf—and, a *Washington Post* columnist taking man-on-the-street soundings of Granite Staters' opinions of the two men discovered, plainly winning by comparison with Ford. A high school teacher on the president: "I have no use for him when he keeps reaching into my pocket." A factory worker: "I hate to turn my back on him, but he doesn't seem to have our interests at heart. Why is he selling wheat to Russians?" An eighty-year-old woman: "I don't believe in that kind of stuff and I never expected to hear it from a First Lady." But the columnist noted, "The universal, high-octane contempt for all politicians somehow stops short of California's former governor. He is perceived as a man of common sense who understands common people, especially New Hampshire retirees who turn purple as they talk of 'all the money Congress voted itself before they sneaked off on vacation,'" and the "white-haired Republican woman" who told the columnist, "he ran that state pretty good, didn't he? He got those people off welfare, didn't he?"

Other columnists reported inside dope. A sitting president was supposed to possess awesome powers to command the allegiance of sitting politicians. But Reagan had already won the state party chairman, its governor—and a crucial fence-sitting former governor, Hugh Gregg, who despised his lunatic far-right governor Meldrim Thomson but gave up on the president after his chief of staff, Donald Rumsfeld, snubbed him, never placing a promised phone call. "The Reagan people were more professional," he said. Evans and Novak learned of a newfangled computer system Reaganites were using in their office that placed Reagan, according to a Republican who still was neutral, "about ten times" ahead of Ford in organization. They also noted that the president "rarely evoked applause" on his twenty stops. They quoted a "distinguished party leader" who said, "Ford had a chance to wrap up this state. He blew it. He absolutely blew it."

Perhaps an upset was conceivable. "Maybe Ford should run against Reagan," a columnist for the *Washington Star* suggested; or maybe he shouldn't be president at all, an editorial in the *New York Times* almost seemed to be saying: "The Ford Administration's economic policies are failing. The economic recovery is sluggish and sputtering . . . inflation is again surging forward." In contrast to the more conservative *Star*, and like its columnist Reston, it rued the role of his conservative chal-

lenger in nudging Ford to the right. Fifteen mayors had just begged the president to stave off New York's default, to prevent the shock waves it would send across the entire municipal bond market. West German chancellor Helmut Schmidt warned of the possibility of international economic collapse. "When a multi-billion dollar private corporation is skidding into bankruptcy, alarm arouses the Administration out of do-nothingness," the *Times* opined of Ford's nonresponse. "But when the nation's largest city is in trouble, the Administration adopts the three blind mice as its policy-making model. Indeed, Mr. Ford seems to gloat over New York's distress." They blamed his "new Reaganism"—"budgetary restraint, trickle-down tax proposals, and a hopeful, expectant air"—and his "frenetic schedule."

The editorial was published on September 15. The previous day Ford had traveled to Dallas—speaking, of all places, at Love Field, from whence JFK was motorcading when he was shot in 1963. "The nation is not disintegrating," he insisted, "it is going through a period of change." He then ("protected," the Associated Press reported, "by rigid security measures") addressed "prophets of doom and gloom" who said criminals had captured the streets and "the President of the United States is no longer safe greeting citizens in the nation's streets. . . . I've had it with that attitude. I did not take a secret oath of office to preside over the decline and fall of the United States of America." The day before that, police had chased, but did not catch, a man with a gun in the very auditorium where Ford was to speak in St. Louis.

Next he would head back to California, Reagan's backyard—belying his remonstrances that these were not political appearances. First, though, on September 16, more than two weeks after its original deadline to submit its report, the Church Committee finally began its first televised hearing. "We will see today the dark side of those activities, where many Americans who were not even *suspected* of crime, were not only spied upon, but they were harassed, they were discredited, and at times endangered," Church thoughtfully intoned in his opening statement—then, in a show carefully scripted for television, a jet-black dart gun was displayed, one designed to deliver a dose of poison derived from a shellfish toxin, untraceable in an autopsy, that could kill a man instantly from one hundred meters away.

Church asked the Central Intelligence Agency's chief William Colby: "Have you brought with you some of those devices which would enable the CIA to use this poison for—"

Colby cut in—"indeed we have"—perhaps to head off the words that Church, angrily, uttered next:

"—*for killing* people?"

Murmurs. Pause. The gun was displayed by a CIA staffer. Church, joking: "Don't point it *at* me!" Laughter. Barry Goldwater, the ranking committee Republican, picked it up, turned it over, and sighted intently down its barrel, providing the picture that showed up in all the papers the next day.

Such chemical agents were supposed to be illegal. An unsigned memo to former director Richard Helms was introduced into evidence, however, written by the director of covert operations and recommending that if Helms wished "to continue this special capability" the unit could stockpile the poisons secretly at a private lab near Baltimore. The poison was indeed retained, and discerned in a vault in downtown Washington—but the committee discovered it would be nearly impossible to retrace the chain of responsibility, because the relevant files had all been destroyed. "I find your testimony rather astounding," Senator Church told the head of the CIA's science and technology branch. Colby, for his part, blamed "reckless insubordination." "The best gloss you can give it," suggested the Republican member from Maryland, Charles "Mac" Mathias, "is that there's always somebody who didn't get the word." A less flattering gloss was suggested by Senator Walter Mondale, Democrat of Minnesota, who cited his "gnawing fear . . . that things are occurring in deliberate contravention and disregard of official orders."

A worse gloss than *that* was that things were occurring *by* official orders—not just in the retention of tiny amounts of deadly toxins, but in all those alleged CIA assassination attempts, too. William Safire, though, sounding as paranoid as any Kennedy assassination conspiracy theorist, said not to count on Senator Church, a presidential aspirant, to look too hard: "Will candidate Church risk his Kennedy support by going after the whole story, or will he again shrink from full disclosure, as he did when the horrors of the Kennedy-CIA secret war on Cuba [Kennedy] roots of the abuse of federal spying power?" have into view? . . . Will television news open up or cover up the

This debate over responsibility for CIA abuses would haunt the investigations for months to come. It coursed, simultaneously, through popular culture. A new picture, *Three Days of the Condor,* hit screens; it starred Robert Redford as low-level CIA analyst who stumbles upon a high-level plot to seize Arabia's oil fields for the United States—"no match," the *Times'* Vincent Canby concluded, "for stories that have appeared in your local newspaper." Meanwhile, Church's counterpart on the other side of the Capitol, Representative Otis Pike of New York—

tapped to run the House's select committee on intelligence after Lucien Nedzi resigned amid accusations of covering up his previous knowledge of CIA abuses—undertook an equally or even more aggressive inquiry of CIA perfidy. The committee's first report discovered that the General Accounting Office hadn't been allowed to audit the CIA since 1962, that GAO had no idea how much the agency took in or how it was spent, and that only six employees at the Office of Management and Budget, three of them former CIA employees, studied the foreign intelligence budget as a whole. Now, on September 11, they came out with a report alleging basic failures of the CIA in doing what it was supposed to do with all that secret money: deliver intelligence. The day before the 1973 Yom Kippur War broke out, the Pike Committee discovered, the agency had told the president to expect Middle East peace.

A miniature constitutional crisis followed. The White House had tried to block release of that House report—unless, it demanded, four words revealing CIA "sources and methods" (apparently involving broken Egyptian codes) were stricken. Pike roared back. Ideologically moderate but characterologically irreverent, the Long Islander had a bit of the old Sam Ervin spirit in him: he wore flamboyant bow ties, and jealously guarded Congress's prerogatives vis-à-vis the executive branch. The CIA "would simply prefer that we operated in a dictatorship where only one branch of the government has any power over secrecy," he said. "I simply submit to you that that is not the way I read the Constitution of the United States." His colleague Morgan F. Murphy of Illinois, another moderate Democrat, said, "I heard the same argument I heard in defense of President Nixon. He has a right to keep things secret, he has a right not to turn over tapes, and he has a right not to turn over documents. But I thought the Supreme Court settled that matter." Their committee voted six to three to release the report, the four words intact, arguing that the very words in question revealed just the sort of CIA screw-ups it was the committee's job to document. They defiantly subpoenaed more White House documents. The White House refused them. Then the president raised the stakes, sending a Justice Department official up to Capitol Hill to threaten that unless Pike promised not to release more classified information, the committee would get no more documents at all, no officials would testify on classified matters, and previously released classified documents would have to be returned—he was shutting down the investigation. On September 16, at an Oval Office press conference, Ford said that if a private citizen had released the "four words," he would have gone to jail. The *Times* called it "the most serious Constitutional confrontation between the legislative and executive branch since the Watergate scandal." For his part, Watergate-style, Otis Pike threatened to take the president to court.

Two days later, Pike playfully hoisted the president with his own secrecy petard. A White House counsel named Rod Hills, who happened to be the husband of the president's trade representative, left a notebook in Pike's congressional office containing copies of letters marked "Secret Sensitive." So Pike wrote Gerald Ford a letter—and introduced it into the *Congressional Record:* "It is my understanding," he mocked, "that because of an alleged breach of security you would like me to provide you with all secret documents in my possession. I have only one such document. It does in my judgment represent a grave breach of security and I am delighted to be able to present it to you and make a clean breast of the whole affair." He suggested the president deploy the FBI to track down the culprit, and gave a hint as to his identity: "He is the husband of a member of your Cabinet." In conclusion, he twisted the knife: "If he loses it again, it's OK. I have a copy."

That morning, the *New York Times* had editorialized about "The Son of Watergate," arguing that the administration was stonewalling on the CIA investigation: Ford's "real concern," they said, "seems to be to keep the House probers from delving as deeply as they should into the shadowland of intelligence activities." And later that day, Patty Hearst—or "Tania," if you preferred her nom de guerre—on the lam for sixteen months, was finally tracked down and arrested by the FBI, hiding in plain sight in a San Francisco apartment with another Symbionese Liberation Army member. What turned out to be most shocking about her flight from justice was how many otherwise law-abiding citizens had abetted it, apparently seeing shielding a bank robber as a protest against the evils of the American system—including, allegedly, the former athletic director of Oberlin College, who was a housemate of Bill Walton, the young basketball star who for his part had said, when offered $2.5 million to sign with the Portland Trailblazers, "I don't believe in capitalism . . . wealth should be spread around."

At her booking, she was asked her occupation; she responded, "Urban guerrilla. Self-employed." Led from the courtroom, she raised a fist through her handcuffs, smiling broadly. She asked her attorney to relay a message: "Tell everybody that I'm smiling, that I feel free and strong and I send my greetings and love to all the sisters and brothers out there." In her mug shot she looked lovely and glamorous, like a silent-film star. Her mother, when informed of her daughter's apprehension, begged authorities: "She was primarily a kidnap victim. She never went off on anything of her own free will. Please call it a rescue, not a

capture." Patty was photographed chatting cordially with her family, dandling a bouquet of yellow roses in her lap. "We laughed and hugged and kissed each other," Mom related. "She said she wanted to come home." The family's lawyer said it had "been as though she lived in a fog, within which she was confused, still unable to distinguish between actuality and fantasy and in a perpetual state of terror."

It had to be said, though, that sixteen months was a long time to be in a fog.

The old debate—Patty Hearst: terrorist or victim?—was revived. Perhaps Patty, like Regan in *The Exorcist*, had suffered some temporary derangement, her very will stolen from her by the demonic energies of the age—"brainwashing," they called it—but now was ready to be returned to the bosom of her family, whole, like Regan at the end of the movie, like it was 1962 all over again. But that conclusion became harder to sustain when news of a jailhouse recording leaked in which Hearst told a childhood friend that she would never accept bail if it meant becoming "a prisoner in my parents' home"—directly contracting the affidavit she had signed saying she disowned her allegiance to her kidnappers and her denunciation of her parents—and that she would soon release a statement proclaiming her "revolutionary feminist" goals. It became harder to sustain, too, when police announced they were checking the loaded .38-caliber pistol seized from Hearst's purse, and another gun they'd found in her closet, to see whether they were connected to the murder of a jailed black radical suspected of squealing.

When a Seattle grocery store was rocked by an explosion, a female caller told a TV station the blast was in retaliation for "the arrest of our SLA brothers and sisters in San Francisco."

In 1963, twice in 1968, Americans learned it was deranged lone assassins we had to be afraid of. Now the deranged assassins belonged to social movements. Crime and social movements seemed almost to merge. That very week a new movie came out in theaters, closely based on a true story, about two gay lovers who rob a bank in Brooklyn to pay for one of them to get a sex-change operation. Everything goes wrong (there is hardly any money in the bank; here was an allegory in itself); a hostage standoff ensues, then a media circus—then the massive crowd of bystanders that gathers in response begins cheering the *bank robbers on*, vilifying the cops. Criminals were being held up by an alienated populace as if they were some new sort of hero. Ronald Reagan, in his first gubernatorial campaign, said of the social chaos of the 1960s that the whole thing started "when the so-called 'free speech' advocates, who in truth have no appreciation for freedom, were allowed to assault and

humiliate the symbol of law and order, a police car on the campus. And that was the moment when the ringleaders should have been taken by the scuff of the neck and thrown out of the university once and for all." Now millions of Americans—*Dog Day Afternoon* was a big hit—were delighting in a picture that glamorized thousands of ordinary Americans casually mocking police authority in just the same way. Was Berkeley America now? Could Patty Hearst become a popular hero? The *Chicago Sun-Times* worried she just might: "We cannot help wondering to what extent the spirit of Tania lies dormant, awaiting arousal, in many of the nation's young."

ON SEPTEMBER 21 CAME A REPORT FROM BOB WOODWARD IN THE *Washington Post* that E. Howard Hunt, one of forty-three former Nixon administration officials eventually found guilty of Watergate-related crimes, had been ordered in 1971 by a "senior official" in the White House to assassinate columnist Jack Anderson—via a former CIA physician who would provide poison of "a variety that would leave no trace during a routine medical examination or autopsy." On the twenty-second came another act of violence in retaliation for the arrest of Patty Hearst.

Gerald Ford found his bulletproof vest too warm and confining, even on the cool, crisp San Francisco day when he spoke before two thousand Republicans who paid twenty-five dollars apiece for a fund-raiser for the California party. In his speech he attacked Otis Pike by name, promising not to compromise "our intelligence sources and the higher national secrets." (Ronald Reagan, a cosponsor of the event, didn't show, the press reported, as "aides are concerned the joint appearances with Ford might undercut his White House challenge.") Ford did accede, before leaving an interview in the St. Francis Hotel on Knob Hill, to the Secret Service's strenuous request not to wade into the crowd of three thousand lining Powell Street. He just waved to them instead.

He was but a step from his limousine when a squat, homely woman drew a .38-caliber Smith & Wesson revolver and steadied her right wrist like she knew what she was doing.

A single shot ricocheted, grazing a cabdriver. The president crouched down on the floor of his limousine, Secret Service agents and chief of staff Don Rumsfeld shielding his body. A quick-thinking Marine veteran seized the gun before another shot could be fired. Police officers knocked down the assailant, and once more the surreal facts issued forth, if anything more bizarre now than the last time.

Forty-five-year-old Sara Jane Moore had been a suburban country-

club mother and certified public accountant when she pulled up stakes after her fifth divorce and alighted on the doorstep of "People in Need," the makeshift charity set up to fulfill the SLA's demand to distribute free groceries to California's poor, the ones upon whom Ronald Reagan had wished botulism. She elbowed her way in as its bookkeeper. "God has sent me," she told the staff. Thereupon, she tried to insinuate herself within the Bay Area's thriving insurrectionist underground. *Time*, in its next issue, profiled that gothic demimonde of at least half a dozen gangs dedicated to "armed struggle against the state," responsible for at least fifty bombings in California so far in 1975, with names like the Tribal Thumb Collective, the New World Liberation Front (responsible for bombings of General Motors, Pacific Gas and Electric, and ITT), the Red Guerrilla Family (they'd bombed an FBI office and PG&E)—and the Weather Underground, whose most infamous fugitive, the ravishing Bernardine Dohrn, was quoted in *Time*'s article as having exulted over the murders by the Manson Family: "Not only did they kill those pigs, they shoved a fork in Tate's stomach and then sat down and ate dinner." ("For the next several days," *Time* quoted a former member as saying, "we all went around giving a sign of three fingers extended. It was to symbolize the fork.") The gangs lived "underground," *Time* explained, many of them collecting food stamps and welfare under phony names, and "their time is largely spent shoplifting food and other necessities, stealing purses, cashing forged checks, searching for new hideouts and plotting." Though they numbered only a few hundred people, they relied on thousands of aboveground sympathizers, with whom they might rendezvous in coffeehouses, bars, or parking lots—or at the spit of land known to Berkeley locals as "Ho Chi Minh Park."

Moore, a radical groupie, had apparently hoped to establish herself as one of their liaisons. Again and again, she was spurned. She was too weird even for them.

She became an FBI and police informant. Then she *told* radicals she was an FBI informant, isolating herself still further. As she kicked around San Francisco and Berkeley, yet more lonely and deranged, increasingly obsessed with Patty Hearst, law enforcement *still* kept her on as a police informant—even as, forty-eight hours before the shooting, she apparently implored police to stop her from doing something she said would horrify them. Then she did it.

Two assassination attempts in nineteen days. Once more the president asserted he wouldn't stop mingling with the public. At least one television network, ABC, took on the policy of prewiring massively expensive live satellite feed setups in every Podunk stop on every presidential itinerary. Treasury secretary Simon testified that the president got some sixteen death threats a day—and that a former mental patient offered a federal undercover agent twenty-five thousand dollars to kill the president. A twenty-two-year-old Michigan man was arrested after telling a police officer he "would kill the president because his mother said he wouldn't do it." Gallup ran a poll asking citizens whether Ford should expose himself to crowds. A near majority, 44 percent, said he should stay in the White House (and, by 67 to 27 percent, respondents said that all firearms should be registered).

Reagan spoke about the assassination attempts on his radio show with typically aphoristic sharpness: "Someone tries to kill the President and the only thing we can suggest is locking up the President." And why, he asked, weren't such lunatics under surveillance or in jail or asylums? Ignoring the fact that police-spy Moore already was under surveillance—and the way his own budget cuts as governor emptied California's mental wards—he blamed "some members of the media, the American Civil Liberties Union, and the Congress . . . hostile to the keeping of files on American citizens even where there's evidence indicating possible danger." He once more rattled off all the McCarthy-era spy bureaucracies liberals had recklessly done away with. He blamed the Church and Pike committees, too, and his own Rockefeller Commission: "What we need is more intelligence gathering and less anti-intelligence hysteria."

Proximately, the week of the second assassination attempt, that hysteria could be taken to refer to Otis Pike taking on Henry Kissinger for refusing to turn over subpoenaed documents, and for ordering his aides not to testify, concerning another intelligence goof-up: the CIA's failure to predict Turkey's destabilizing invasion of Cyprus in 1974. (After CIA director Colby ruled that Pike could have the paperwork anyway, so much of it was redacted the committee voted 10 to 3 to cite Colby for contempt of Congress.) Or to the next phase of Church's televised hearings, on the 1970 "Huston Plan" recommending White House lawbreaking. One of the witnesses was James Jesus Angleton, the CIA's chief of counterintelligence. A senator put it straight to him: "You were specifically asked about shellfish poisons and shellfish toxins. You said, 'It's inconceivable that a secret intelligence arm of the government has to comply with all the overt orders of the government.' Is that an accurate quote or not an accurate quote?" Angleton answered in the most cynical possible way, pulling TV viewers straight into the intelligence world's ugly, extraconstitutional hall of mirrors: "Well if it's accurate, it shouldn't have been said."

Such death-haunted times. On the front pages the CIA news did battle for attention with stories of the pretrial maneuvering of lawyers for Patty Hearst and Sara Jane Moore. In the offices of the Senate Select Committee on Intelligence, visitors, letters, and phone calls flooded in: a woman reporting that the CIA, knowing she had the goods on it, gave her a forced hysterectomy when she was on the operating table for another procedure, to warn her to shut up (she bravely offered the committee her testimony nonetheless); another who said she was ill from the X-rays the CIA had been beaming into her home; a woman who reported telling her lawyer her telephone was bugged, upon which "CIA and FBI agents broke into my home and put me in a straight jacket and took me into this little room at a hospital where they tore off all my clothes and squirted me with cold water." Senator Church's press secretary found himself in a bit of a quandary concerning which lunatics' letters to ignore, and which to pass along to higher-ups; after all, what if someone had called and said, "Tell your senator I have solid evidence that the CIA had a plan to paint Fidel Castro's shoes with a special shoe polish that would make his beard fall out." For, after all, the CIA had actually entertained just such a plan. And he remembered how haughtily he had dismissed the University of Idaho student who swore up and down that the Nixon reelection campaign had hatched a scheme to capture protest leaders at the 1972 Republican convention and hold them prisoner on a boat in the Atlantic Ocean. . . .

Paranoia ran riot—paranoia, seen as a road to redemption. On college campuses, just about any lecturer with a bold new theory about the conspiracists behind the assassination of John F. Kennedy (Mark Lane, author of *Rush to Judgement;* Jim Garrison, the New Orleans district attorney who'd spent years in the late 1960s trying to convince the world the fatal shots could not have come from a single gunman inside the Texas School Book Depository) could draw a standing-room-only crowd—especially if he was implicating the American government itself. The folks who called themselves the "assassination research community" knew from labs they assembled in their garages that the photograph with Lee Harvey Oswald holding the murder weapon in his backyard was fake, and from measurements they took on family trips to Dealey Plaza in Dallas that there could not possibly have been a single shooter. They knew, too, this: that if they simply could expose the lies of the powerful who covered up the veritable regicide, they could bring redemption to a fallen land.

Their worldview had been introduced to the masses back in March, when an enterprisingly frenetic TV host named Geraldo Rivera showed a purloined copy of the live home movie footage of the shooting taken by Dallas dress manufacturer Abraham Zapruder. "That's heavy," the long-haired, thick-mustachioed Rivera pronounced as the audience gasped. His guest pointed out a barely detectable snap of the president's head back and to the left in what knowing "assassinologists" referred to as Frame Z-313—"thus proving," Rivera intoned as if affirming that two plus two equaled four, "that there must have been a marksman firing from somewhere in front of the motorcade, probably at the 'grassy knoll.'" The public was further energized by the murder of Sam Giancana in June—obviously by the CIA, seeking to shut him up. ("They're going to pin the crucification on us next," an agency officer complained.)

The speculation intensified late in August, when it was reported that the FBI had destroyed a letter that Oswald had delivered to the bureau's headquarters in Dallas on November 10, 1963. The speculation was now all but universal. Nearly two-thirds of Americans believed some sort of Kennedy conspiracy theory. A *Washington Post* columnist drew the logical conclusion: "American society has gone buggy on conspiracy theories of late because so many nasty demonstrations of the real thing have turned up." In October, Senator Richard Schweiker of Pennsylvania told a press conference that his intelligence subcommittee had come up with three "very significant leads" about the murder, suggesting that he might open hearings—that Kennedy was killed in a Communist plot, or by a "right-wing conspiracy in the United States," or in a conspiracy by anti-Castro Cubans. Though he declined to speculate on these, he said, "I think the Warren Commission report is like a house of cards. It's going to collapse." In November, a new book by a respected journalist, Robert Sam Anson, *They've Killed the President! The Search for JFK,* proposed the assassination as a joint CIA-mafia project; the first printing was 250,000 copies. A former Los Angeles police official and part-time CIA employee, Hugh McDonald, claimed to have interviewed the real killer, a CIA assassin known as "Saul," who used Oswald's gunfire as cover for his own. Bumper stickers reading "Who Killed Kennedy?" proliferated.

Conspiracies everywhere. Guns everywhere. *Women* with guns everywhere. *Time* quoted Bernardine Dohrn: "Women fighters are frightening apparitions to the enemy and an example for us." One Midwestern paper agreed, calling the "Patty Hearst–Squeaky Fromme–Sara Moore spectacle" but the "latest volcano of nihilism" spewing forth in an America gone mad; a Baptist pastor wrote to the *Washington Star* complaining, "Now the clamor is to get rid of all guns. It is more logical

to get rid of all women." It haunted a nation's dreams. At the Miss Universe pageant in Nicaragua, Miss USA pranced onstage in combat fatigues and an automatic rifle prop, simulating an armed robbery. She also said she was not a women's liberationist because she was against "communal toilets."

The Federal Communications Commission, acceding to a well-organized clamor by Christian activists like the Reverend Donald Wildmon's National Federation for Decency, had made that fall's TV season the first to include a mandatory "family hour." *Happy Days* enjoyed its breakthrough season in the ratings by bringing to the foreground a minor character who dressed like James Dean in *Rebel Without a Cause*—only reassuringly domesticated, like a sweet-tempered uncle (when "Fonzie" said a line about how "cool" it was to have a library card, the National Library Association reported registration for cards went up 50 percent). An evangelical group announced the first "Continental Congress on the Family" for St. Louis in October, anticipating three thousand delegates, to "clarify the biblical principles for marriage and family life and . . . relate these to current spiritual and social problems."

It was hard, though, to imagine how these Augean stables might be cleaned. "In a rather short time we can expect to see Christians put in decision dilemmas in which their scriptural beliefs run strongly counter to the general will of the people," one of the organizers reflected. In wicked Gotham, a rumor circulated about a new genre of pornography popular among a wealthy underground "select clientele": "Snuff Porn—The Actress Is Actually Murdered," reported the *New York Post.* *New York Times* columnist William Shannon wrote, "There are fleeting moments when the public scene recalls the Weimar republic of 1932–33. In this American phantasmagoria, an empty-faced girl in a scarlet cloak and a clown's hat points a gun . . . the unemployed mill about . . . the largest city is about to go bankrupt . . . a feckless President, another wooden titan, drones stolidly . . . exorcists, astrologers, and strange oriental gurus wander through . . . the screens, large and small, pulsate with violence and pornography . . . the godfathers last tango with clockwork orange in deep throat . . . women in pants bawl lustily while anguished youths try to be gay . . . a motherly woman raises her gun and fires . . . screams . . .

"Underlying all this is a new spirit of nihilism, a radical disbelief in any rational, objective basis for ethical norms or for orderly political change."

CHAPTER TWENTY-TWO

The Nation's Soul

PRESIDENT FORD'S APPROVAL RATING WAS 46 PERCENT. THE *NEW YORK Times* reported on October 5 that his presidential campaign "has encountered some serious internal difficulties, and a new political director has been brought in to get things on track" (and that "Gov. Ronald Reagan of California, who is not yet an announced candidate, is ahead in terms of organization in several of the most important states"). The next day Ford spoke on TV from the Oval Office. He announced "a crossroads in our history": "whether we shall continue in the direction of recent years—the path toward bigger government, higher taxes, and higher inflation—or whether we shall now take a new direction, bringing to a halt the enormous growth of government, restoring our prosperity, and allowing each of you a greater voice in your own future." The nation's economic problems "bear a label: 'Made in Washington, D.C.'"—where "America's vitality and prosperity have been drained away. It is here that one big spending program after another has been piled on the federal pyramid, taking a larger share of your personal income and creating record budget deficits and inflation." He then proposed a permanent $28 billion income tax cut, the biggest in history, to "get the government off your back and out of your pocket," and a cap of $395 billion in spending in the coming year—"a cut of $28 billion below what we will spend if we just stand still and let the train run over us."

It just sounded like another fiscal swerve, given his previous admission that the tax bill he had reluctantly signed in March would balloon the deficit by as much as $100 million. Damned if he did, damned if he didn't.

Two days later, the fiscal focus returned to New York City. Treasury secretary Simon testified before a Senate panel that the damage from a bond default would be "negligible." Of the bailout package Congress was discussing, Simon urged "that the financial terms of assistance be so punitive, the overall experience so painful, that no city, no political subdivision, would ever be tempted to go down the same road again." The

New York Post's headline was SIMON ON U.S. AID: MAKE CITY SUFFER. A paper in far-off Atlanta said, SIMON THROWS NEW YORK TO THE WOLVES.

Felix Rohatyn, working so hard just maintaining a day-to-day cash flow for the city that he ignored a fire drill in his office building, responded that if the city defaulted, "we'd probably have to bring the troops home from Germany to keep order." Governor Carey told the same congressional committee the choice was between "federal money and federal troops." He asked for $5 billion in loan guarantees to avoid "the most costly mistake in the history of this nation," an "economic Pearl Harbor." Unmoved, Senator Edward Brooke of Massachusetts, a Republican liberal, responded that if the state needed more money it should just increase taxes.

Ronald Reagan responded, too. He wrote in his newspaper column that "Carey's comments reflect New York parochialism. . . . Tell an audience in Ohio or Texas (or almost anywhere else outside of New York) that you don't think the federal government should be in a rush to bail out New York, and they erupt with wild applause." (He neglected to note that most of his audiences on his speaking tours were either business groups or conservative Republicans. To one of them, he said, "I include in my prayers every day that the federal government will not bail out New York.") He ticked off the grounds for disgust: "too-powerful union leaders and news media, timid elected officials, wild spending, dirty streets, pornography, and a general decline in civility." He added, with Simon, that if aid came it should have "so many strings attached that a generation may pass before any New York City politician gets up the nerve to tell his constituents that the moon is really made of green cheese."

That was turning out to be the winning argument. The next week *Time* put on its cover a caricature of Abe Beame holding a beggar's cup. It quoted Simon's predecessor, Arthur Burns, as saying that in the event of a bailout, "self-reliance in our country, which has been diminishing, will be dealt another blow. . . . The free enterprise system involves a certain degree of risk, and we should let that risk be taken and the consequences as well." As if the city were a poorly managed haberdashery, and its economic ruin bore no consequences at all for the rest of the country.

The nation gorged on such images: New Yorkers as greedy hedonists (the *Economist*: "Rich, chic, thriftless, insufferably superior, overeducated"); New York as a nest of iniquity, New York as open sewer, New York as a heroin addict. (If you have a daughter who's a junkie, said Ron Nessen, who seemed to take particular glee in abusing the city, "you don't just give her $100 a day to support her habit. You make her go cold turkey.") An article in *Texas Monthly*, reviewing a "balance sheet of fiscal sins too numerous to detail," included this Reaganite embellishment: "Welfare recipients in the Waldorf." New Yorkers even heaped abuse on themselves. *New York*, the magazine the hip set preferred, didn't target the Sunbelt rubes at *Texas Monthly* for mockery. Instead, it reran *Texas Monthly*'s article without comment. And one of its staff contributors, Ken Auletta, wrote of how when William F. Buckley Jr., in his quixotic campaign for mayor in 1965, warned "New York must discontinue its present borrowing policies and learn to live within its income before it goes bankrupt . . . one would have thought Buckley had proposed to drop the atom bomb on Israel." But Auletta said Buckley was right: "We have conducted a noble experiment in local socialism and income redistribution, one clear result of which has been to redistribute much of our tax base and many jobs out of the city."

New York had been considered a house organ for the rich, chic, thriftless, insufferably superior, overeducated liberals. Now here it was embracing neoconservatism. Another ideological watershed had been quietly passed. Meanwhile, another ideological watershed had *not* been passed. The distinguished editor of *Congressional Quarterly* wrote how, despite warnings that the new, overwhelmingly Democratic Congress would be a puppet of the labor movement, liberalism there was hard to find. The House failed to override Ford's veto on a public jobs bill the AFL-CIO desperately wanted and the Senate killed a $9 billion bill for economic relief introduced by the liberal Walter Mondale despite a massive lobbying effort by labor. Labor now could count on only thirty votes in the upper body, where it used to have at least thirty-eight. "The freshman Democrat today is likely to be an upper-income type," a labor lobbyist said. "I think a lot of them are more concerned with inflation than with unemployment." Both parties were now leaning more to the right. Gary Hart had said his Watergate Babies were "not a bunch of little Hubert Humphreys." Apparently, he was right.

REAGAN HAD MADE HIS OWN CONTRIBUTION TO THE FISCAL DEBATE ON September 26 in a speech to the Chicago Executives Club, called "Let the People Rule." He began by quoting Jefferson: "A wise and frugal government which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned: This is the sum of good government." Reagan said that it was the expansion of government at all levels to 37 percent of gross

national product that "has created all our economic problems." He then argued that "nothing less than a systematic transfer of authority and resources to the states," including welfare, education, housing programs, food stamps, Medicare, and Medicaid—"a program of creative federalism for America's third century"—would "reduce the outlay of the federal government by more than $90 billion. . . . With such a savings, it would be possible to balance the federal budget, make an initial $5 billion payment on national debt, and cut the federal personal income tax burden of every American by an average of twenty-three percent."

No one paid much attention. No one paid much attention, either, when Reagan said almost precisely the same thing to the New York Conservative Party a few weeks later; or to the simultaneous announcement that his daily radio show was moving to the Mutual Network, which might beam it over 1,300 stations instead of its current 310; or to the news that Reagan would announce around Thanksgiving that he would become a formal candidate for the White House. Gallup was reporting that Ford was 23 points ahead of him among Republicans. Gallup had also recently discovered that, presented with the option of "Candidate A," who "says we should cut government spending on social programs and try harder to balance the U.S. budget," or "Candidate B," who "says the government should spend more money to create employment and spur public buying," Mr. B won by 46 to 42 percent (though A won by 46 to 38 in the South). Some old friends called Reagan in California to warn that he was at risk "of becoming the Harold Stassen of 1976." (Stassen, who became known as the "boy wonder" of politics when he was elected governor of Minnesota in 1939, had run for the Republican presidential nomination six times since, each run more ineffectual than the last.)

Horse-pickers paid more attention to "Big John" Connally, the former JFK naval secretary and LBJ confidant who had switched to the Republican Party during his tenure as Nixon's treasury secretary. Nixon had hoped Connally would succeed him as president. He was one of those perennial Washington power players upon whose prospects Georgetown's villagers never tired of speculating—even now that he had been only narrowly acquitted for his role in the milk industry's bribery scandal. He had announced the formation of an outfit, Vital Issues for America, that would sponsor an extensive speaking tour. Opportunistically predicting a "horse race" between Ford and Reagan in the primaries, he said he even might just run as a favorite son in Texas. And his recent trial? "As a matter a fact," he told reporters, "it helped me. The jury said, 'Not guilty.' How does that hurt you?"

On the Republican left, Senator Mac Mathias grumbled from the podium of the National Press Club that "President Ford's fascination with a very real threat on his right is limiting debate among Republicans." He said he might run in a primary or two, as well—because a conservative nominee would render Republicans "the Whigs of 1976." There was talk, too, that the Senate's "Wednesday Club," a weekly whiskey-klatch of liberal Republicans, would seek to counter the party's Reagan-driven drift to the right by sponsoring a run by one of their fellow travelers, with speculation centering on Howard Baker, who was considered especially electable.

So now Washington's gossipmongers were off to the races speculating about a potential quadruple-barrel challenge to poor Gerald Ford—when they weren't mocking Ford's latest ridiculous physical mishap: a collision on October 14 between the presidential limousine and the car of a teenager in Hartford, Connecticut, who complained that he was the one who had the right of way (local police had neglected to block off the intersection). Or when they weren't reciting routines from a hilarious new TV variety program, *NBC's Saturday Night*—soon renamed *Saturday Night Live*—whose standout new talent, a young comedian whose unlikely name was the same as that of a Washington suburb, opened the first episode's mock newscast, "Weekend Update," on October 11, datelined Washington:

"At a press conference Thursday night, President Ford blew his nose. Alert Secret Service agents seized his handkerchief and wrestled it to the ground.

"And yesterday, in Washington, President Ford bumped his head three times getting into his helicopter. The CIA immediately denied reports that it had deliberately lowered the top of the doorway.

"And Ford was on the campaign trail announcing in Detroit that he has written his own campaign slogan. The slogan? 'If he's so dumb, how come he's president?'"

Chevy Chase's next joke: "The Post Office announced today that it is going to issue a stamp commemorating prostitution in the United States. It's a ten-cent stamp, but if you lick it, it's a quarter." The conservative medium whose three networks usually converged in a safe middlebrow banality had never seen irreverence like this.

The second week, Chase, who considered Ford a cruel man who "never gave a shit about people," was if anything crueler: "President Ford's regular weekly accident took place this week in Hartford, Connecticut, where Ford's Lincoln was hit by a Buick. Alert Secret Service agents seized the Buick and wrestled it to the ground. No one was in-

jured in the accident, but when the President got out to see what had happened, he tore his jacket sleeve on the car bumper, bumped his head, and stuck his thumb in his eye. Alert Secret Service agents immediately seized the thumb and wrestled it to the ground. . . . Concerning the collision, New Orleans district attorney Jim Garrison says he will immediately launch an investigation into the 'second car theory.'" The studio audience applauded boisterously.

The next week, Weekend Update's "top story" was the president's stubborn cold: "White House physicians say that, after a mild cold of that sort, it will take the President a few days to recover his motor skills fully, citing the period after his last cold when he tied his shoe to his hair blower and inadvertently pardoned Richard Nixon."

Then he turned to another joke: the former governor of California. "Starting a speaking tour this week . . . Reagan spoke out against marijuana, abortion, the Equal Rights Amendment, busing, and gun control legislation. When asked what he was for, Reagan replied, quote, 'hair dye.'"

Although the nation's new jester did not find Ronald Reagan nearly as pathetic as the hapless Leader of the Free World. Chase ended the segment "quoting" Reagan as saying that, like the Democratic right-wing populist former governor of Georgia, George Wallace, who had been crippled in a 1972 assassination attempt and was also angling his way toward a presidential announcement, he would be campaigning in a wheelchair: "It's not for the sympathy I would get. It just makes the race more fair."

FORD SOON FACED A NEW SET OF INTELLIGENCE CONTROVERSIES. FIRST Frank Church turned his hearings to political abuses by the Internal Revenue Service (among the thousands of dangerous extremists who allegedly had been politically singled out for audits were Joseph Alsop, James Brown, Nobel Prize–winning scientist Linus Pauling, and two United States senators). Then, hard upon new reports that the CIA had recruited Christian missionaries in defiance of an Eisenhower-era directive outlawing the practice, he revealed to Americans that Big Brother had also been opening their mail—more than 215,000 pieces in New York City alone between 1953 and 1973, including one, in 1968, from presidential candidate Richard Nixon to his speechwriter Ray Price.

Richard Helms, called back from Iran to testify, admitted it all was illegal. He then reintroduced Americans to a concept from the Watergate days: "plausible deniability." Conceding that he had signed a report in 1970 to Richard Nixon announcing such practices were to be discontinued, he admitted they had continued nonetheless, without the president's knowledge. "Because," he explained, "you've got to protect the President from the dirty stuff."

Over on the House side of the Capitol, feisty Bella Abzug of New York, eyeing a run against Senator James Buckley in 1976, publicized two government surveillance projects, code-named "SHAMROCK" and "MINARET," run by a government bureau that was so secret most Americans didn't even know it existed. "With a reputed budget of some $1.2 billion and a manpower roster far greater than the CIA," the Associated Press explained, the National Security Agency had been "established in 1952 with a charter that is still classified as top secret." (Its initials, the joke went, stood for "No Such Agency.") It had also, Abzug revealed, been monitoring both the phone calls and the telegrams of American citizens for decades. President Ford had persuaded Church not to hold hearings on the matter. Abzug proceeded on her own. At first, when she subpoenaed the private-sector executives responsible for going along with the programs, the White House tried to prevent their testimony by claiming that each participating private company was "an agent of the United States." When they did appear, they admitted their companies had voluntarily been turning over records and cables to the government at the end of every single day for more than forty years. The NSA said the programs had been discontinued. Abzug claimed they still survived, but under different names. At that, Church changed his mind: the contempt for the law here was so flagrant, he decided, he would initiate NSA hearings, too.

Conservative members of his committee issued defiant shrieks: "People's right to know should be subordinated to the people's right to be secure," said Senator John Tower. It would "adversely affect our intelligence-gathering capability," said Barry Goldwater. Church replied that this didn't matter if the government was breaking the law. He called the NSA's director to testify before Congress for the first time in history. Appearing in uniform, Lieutenant General Lew Allen Jr. obediently disclosed that his agency's spying on Americans was far vaster than what had even been revealed to the Rockefeller Commission. He admitted that it was, technically, illegal, and had been carried out without specific approval from any president. But he declined to explain how it worked. He added that thanks to such surveillance, "We are aware that a major terrorist attack in the United States was prevented." He refused to give further details on that, either—as if daring the senators to object.